

联想控股

LEGEND HOLDINGS

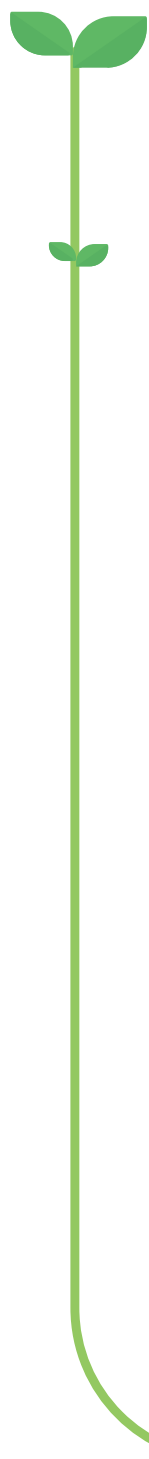
EMPOWERING COMPANIES TOWARD GREATNESS

(A joint stock limited company incorporated in the
People's Republic of China with limited liability)
Stock Code: 03396



2022
ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT

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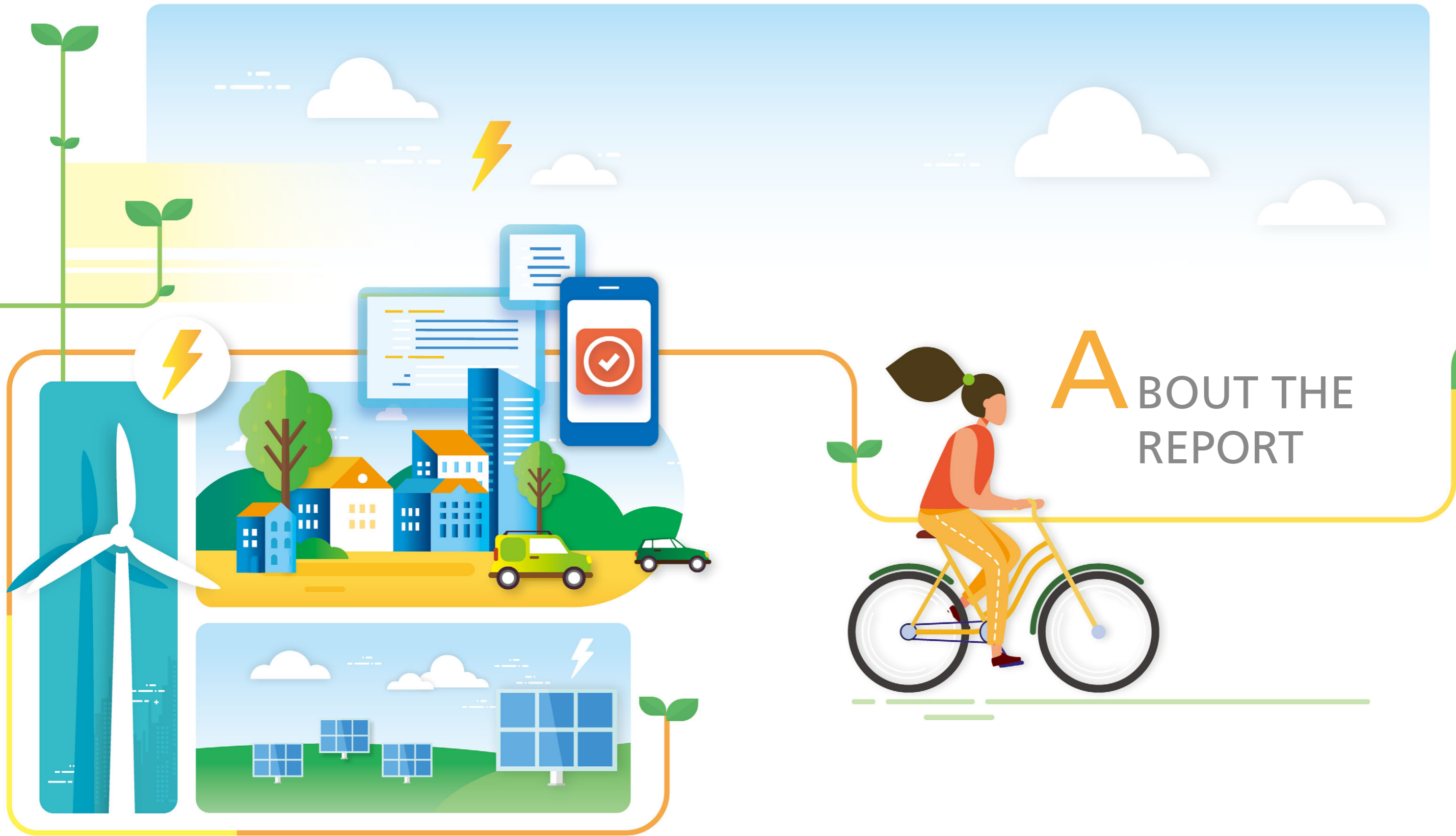


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A ABOUT THE REPORT

ABOUT THE REPORT

The Report is the sixth Environmental, Social and Governance (ESG) Report (“the Report”) released by Legend Holdings Corporation (“Legend Holdings” or “the Company”) that aims to disclose the effort and progress of the Company on ESG-related matters such as corporate governance, employees’ rights and development, environmental protection, product responsibility and supply chain management in the Reporting Period of 2022 to stakeholders such as investors.

The Report is released in both Traditional Chinese and English, and is published on the websites of the Company (www.legendholdings.com.cn) and the Stock Exchange of Hong Kong Limited (“HKSE”) (www.hkexnews.hk) for access and downloading by the public. Should there be any discrepancies between the two versions, the Traditional Chinese version shall prevail.

SCOPE OF THE REPORT

The Company has selected certain subsidiaries in different business segments and their property assets as the disclosure scope of the Report by considering the proportions of the contributions of its subsidiaries and their property assets to the net assets of the Company and the environmental, health, safety and quality (“EHSQ”) risks, including Lenovo Group Limited (stock code: 00992), Banque Internationale à Luxembourg S.A., Levima Advanced Materials Corporation (stock code: 003022.SZ), and Raycom Info Tech Park jointly managed by Raycom Property Investment Co., Ltd. and Raycom Technology Co., Ltd. The above subsidiaries and their property assets have higher EHSQ risks than other subsidiaries and contribute about 80% of the Company’s net assets. The ESG performance of Legend Holdings and the above subsidiaries and their property assets have been highlighted in the Report.

Table of Names of Subsidiaries and Their Abbreviations in the Report

Main subsidiaries	Abbreviation in the Report
Lenovo Group Limited	Lenovo
Banque Internationale à Luxembourg S.A.	BIL
Levima Advanced Materials Corporation	Levima Advanced Materials
Raycom Property Investment Co., Ltd. and Raycom Technology Co., Ltd. (including the Raycom Info Tech Park, a property asset managed by the two companies)	Raycom



TIME RANGE

This is an annual report that covers the period from January 1, 2022 to December 31, 2022. Part of the text information goes beyond this scope and is explained where relevant.

In compliance with the relevant explanation of HKSE¹, the content about the investee entity Lenovo in the Report is mainly extracted from its 2021/22 Environmental, Social and Governance Report and covers the period from April 1, 2021 to March 31, 2022, the same as its disclosure period.

The “Reporting Period” in the body and Quantitative Performance Table of the Report always refers to the above period.

Note 1: As what HKSE mentioned in section A5 of FAQs Concerning Environmental, Social and Governance Report, a relevant document of HKSE *Guide*, “to avoid duplication, the issuer may cite the disclosures in the ESG report of its listed parent company/subsidiaries in its own ESG report through cross reference on the premise that each listed company has fulfilled its disclosure obligations in the *Guide*.”

PREPARATION BASIS

The Report has been prepared in compliance with mandatory disclosure requirements and the “comply or explain” provisions in the Environmental, Social and Governance Reporting Guide (“HKSE *Guide*”) in the Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by HKSE, the contents of which are indexed in the appendices to the Report.

DATA DECLARATION

All texts and quantitative data in the Report are sourced from the original records or financial statements of the Company’s actual operation.

All financial data in the Report are denominated in RMB. In case of any discrepancy between the financial data and the Company’s Annual Report, the Annual Report shall prevail.

The disclosed quantitative data of Lenovo comes from FY2021/22, which covers the period from April 1, 2021 to March 31, 2022.



ABOUT THE REPORT

REPORTING PRINCIPLES

The Report has been prepared on the basis of the principles of *HKSE Guide*, namely “materiality”, “quantitative”, “balance”, and “consistency”, which are detailed as follows:

Materiality

The Company identified the operation-related material topics to the concern of stakeholders such as investors, which are highlighted in the Report. While reporting the material issues, the Report also focuses on the industrial features of the Company’s operation and the geographical features of the region where it operates. For the analysis process and results of the material topics, please refer to the “Materiality Analysis” section for details. In addition, the Report highlights the environmental, social and governance matters that may have a significant impact on investors and other stakeholders.

In terms of the disclosure of details of material topics, the Company also adheres to the materiality principle and demonstrates relevant companies or subsidiaries subject to the material impact of such topics while mainly reports corresponding management progress. For relevant information of subsidiaries beyond the organizational scope and the detailed risk factors and management policies and their effect on the subsidiaries covered by the Report, please refer to the announcements and documents released by such subsidiaries separately.

Quantitative and Consistency

The Report discloses the key quantitative performance indicators and discloses the historical data wherever possible. The Report collects statistics and discloses same indicators during different reporting periods in a consistent manner. Whenever the statistics or disclosure manner changes, such change will be explained clearly in the notes to the Report, so that the stakeholders are permitted to conduct a reasonable analysis and thereby evaluate the ESG performance level and trend of the Company.

Balance

The Report reflects the objective facts and discloses all positive and negative information impartially. The Company retrieved the objects covered by the Report through open databases and found no major negative incident occurred during the Reporting Period that ought to be disclosed while not.

RELIABILITY ASSURANCE

There are no false records, misleading statements or material omissions in the Report. The Board of Directors of the Company is fully responsible for overseeing the management and implementation of the Company’s ESG-related policies.



CONTACT INFORMATION

Legend Holdings pays great attention to stakeholders' opinions and feedback and keeps improving its ESG management and performance while continuously optimising disclosure level accordingly. Should there be any opinions or feedback, please feel free to contact the Company via:

Address: B-17, Raycom Info Tech Park, No. 2 Ke Xue Yuan South Road, Haidian District, Beijing 100190

Telephone: 010-62509999

Email: legendir@legendholdings.com.cn

Fax: 010-62561056





A BOUT LEGEND HOLDINGS



ABOUT LEGEND HOLDINGS

COMPANY PROFILE

Legend Holdings Corporation was founded in 1984 by 11 researchers, including Mr. LIU Chuanzhi with funding from the Institute of Computing Technology of the Chinese Academy of Sciences. Along with China's economic development and social progress, and after more than 30 years of growth, the Company has now become an industrial operations and investments group rooted in China, serving the domestic market while engaging in international business. Legend Holdings is among the top 10 of the "Top 500 Private Enterprises in China" by the All-China Federation of Industry and Commerce.

- Company Name: Legend Holdings Corporation
- Headquarters: B-17, Raycom Info Tech Park, No. 2 Ke Xue Yuan South Road, Zhongguancun, Beijing
- Stock Code: 3396
- Main Operating Locations: China, the United States and Luxembourg

Business Layout and Representative Enterprises

With the vision of "serving the country through industry", Legend Holdings focuses on technological innovation and the real economy, and has established two business segments which are "Industrial Operations" and "Industrial Incubations and Investments". Through strategic management, operation improvement, resource allocation, financial support and value-added services, etc., the Company is committed to building industrial pillars, incubating or investing in start-ups and growing-stage companies with great potential, so as to promote the continuous growth of the Company's overall value, and win-win cooperation with portfolio companies, contributing to the high-quality development of China's economy.

Business Layout of Legend Holdings

Industrial Operations

As the major shareholder, through practical resource allocation, effective management and control methods and extensive empowerment and capability building, Legend Holdings establishes a group of leading companies in the industries in which we have presence to strengthen the Company's core competitiveness and build the industrial pillar.

Business Layout

Industry Incubations and Investments

Legend Holdings is oriented to start-ups or growing-stage enterprises. Through incubation or direct and indirect investments, it supports the real economy, especially the development of tech innovation enterprises by means of equity capital, financial support, and management consulting resources.

Core Subsidiaries

- **Lenovo** is a *Fortune Global 500* company and a global leader in consumer, commercial and enterprise-level innovative technology, providing clients with secure and high-quality product portfolios and services.
- **Levima Advanced Materials** is a supplier of advanced material products and solutions, focusing on the production, R&D and sales of advanced polymer materials and specialty chemicals.
- **BIL** is one of the oldest financial institutions in Luxembourg with offices in Switzerland, Denmark and the Middle East. It is recognized as an Other Systemically Important Institution by the ECB.
- **Joyvio Group** is an industrial investment platform for modern food & agribusiness of Legend Holdings. At present, it has established a leading global industrial platform in the fields of beverages, fruits, animal protein and branded packaged food, etc.

Composition of Enterprises

- **Listed Companies:** Fullhan Microelectronics, Lakala and Eastern Air Logistics (EAL)
- **Fund Management Companies:** Legend Capital, Legend Star and Hony Capital
- **Non-listed Companies:** Zhengqi Holdings, JC Finance & Leasing, Better Education, Shanghai Neuromedical Center, Hankou Bank, Hyundai Insurance, Bybo Dental, Raycom Property and Raycom Technology, etc.

ABOUT LEGEND HOLDINGS

Corporate Culture and Management Philosophy

With the mission of “empowering companies toward greatness”, the vision of “serving the country through industry, being committed to becoming a respected and trusted global holding company with equity in leading enterprises in multiple industries and international influence” and the core values of “perspective of overall situation, pragmatic, ambitious and people-centric”, Legend Holdings carries out its cultural building and management and puts forward a series of methodologies and concrete manifestations of corporate culture which form a complete cultural system.

Our management philosophy can be summarised as “Three Elements of Leadership”: “Leading Group Building”, “Setting Strategies” and “Team Building”.

Management Philosophy of Legend Holdings

Leading Group Building

Competent and honest managers are selected to build a leading group, which formed a vertical and horizontal division of labor, advocating “Say Away” and “Keep Cool” to achieve rational decision-making through team work and in an efficient way. This would constrain the implementation of the leaders and enhance the prestige of the leadership.

Setting Strategies

Depicting vision, clarifying strategy, setting strategies, tactics decomposition, determining leader, adjusting organisational structure and developing incentive assessment are Legend’s “Seven Steps” to set strategies, but this is not a simple step-by-step process and also cannot overemphasise the role of a certain link in the process. It needs fully formulation, systematical thinking, co-ordination and promotion to develop a strategy.

Team Building

Team building means that the members should be motivated to properly take actions in an ordered way so as to ensure the implementation of strategies. The key of team building is incentives and culture.

ESG MANAGEMENT SYSTEM

Based on the internal and external development environment, current status and goals of ESG management, Legend Holdings has established an ESG management system consisting of the sustainability strategy, governance structure, risk management and target management, which further improves the Company's ESG governance and management and supports the sustainable development of relevant industries and the whole society.

Sustainability Strategy

Legend Holdings has developed its sustainability strategy with a focus on the key issues related to the Company's ESG management, reviewed and managed the impact of the Company's businesses on the environment and the society in order to respond to the attentions and demands of investors, employees and other internal and external stakeholders. Legend Holdings integrates sustainability into each of its investments and business segments with the aim of embracing the sustainability philosophy from the top down and from internal to external, achieving the commercial and social values of the enterprise simultaneously in five aspects, namely corporate governance, technological innovation, employee development, green and low-carbon and social welfare, making contributions to the global sustainability.

Five Routes of Legend Holdings to Sustainability



ABOUT LEGEND HOLDINGS

ESG Governance Structure

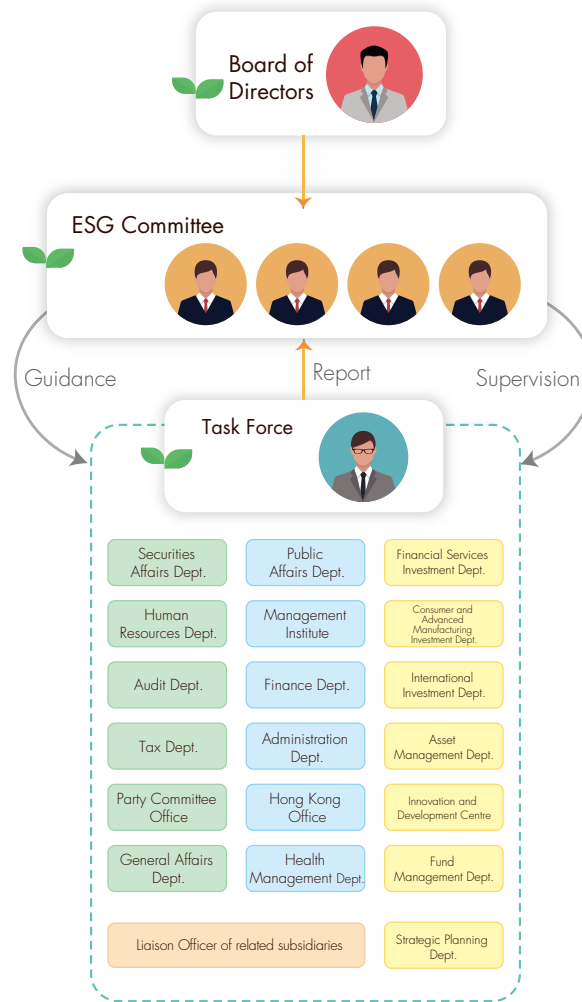
As the Company's highest governing body of ESG matters, the Board of Legend Holdings is responsible for supervising the Company's ESG management and developing and reviewing the Company's sustainability strategies and goals. The Board of Directors leads and participates in the evaluation and determination of the Company's ESG-related risks to ensure the implementation and improvement of an appropriate and effective ESG risk management and internal control system.

To further improve the ESG governance structure and strengthen the management of ESG matters, the Company established the Environmental, Social and Governance Committee ("ESG Committee") with the approval of the Board of Directors on March 31, 2022 and released the *Working Rules of Legend Holdings ESG Committee*. The ESG Committee is responsible for assisting the Board of Directors in continuously discussing sustainable development trends of the domestic and overseas capital markets and peers, guiding and monitoring policies and goals related to the Company's ESG and sustainable development and reviewing the progress of issues and matters relating to sustainable development of the Company. Currently, the Committee consists of 4 Board members, namely Mr. MA Weihua (Independent Non-Executive Director), Mr. SUO Jishuan (Non-Executive Director), Mr. NING Min (Executive Director) and Mr. LI Peng (Executive Director); among them, Mr. MA serves as the chairman of the ESG Committee.

In addition, the Company has set up a Sustainable Development Task Force ("Task Force"). With the Secretary of the Board as the convenor, the Task Force is comprised of staff from all relevant departments of the Company and liaison officers from its subsidiaries. The Task Force reports the tracking, analysis and summarisation of relevant work to the ESG Committee and material matters directly to the Board. Specific responsibilities include:

- Incorporate the ESG concept into the development and implementation of corporate strategies with innovative ideas and means
- Offer advice on ESG strategies to the ESG Committee
- Assist in evaluating ESG risks and establish a relevant reporting mechanism
- Report ESG work to the Board and ESG Committee
- Communicate with stakeholders by way of questionnaires and contacts regarding material ESG issues
- Co-ordinate the collection of ESG materials and preparation of ESG reports
- Assist in tracking, analysing, and summarising the implementations of ESG targets
- Handle other matters as authorised by the ESG Committee

ESG Governance Structure of Legend Holdings






In 2022, Legend Holdings held the plenary session of ESG Committee, listened to the work plan about the 2022 ESG report from the Task Force, discussed the changes of ESG macro environment and policies in 2022, tracked the progress of the 2022 ESG targets and developed the 2023 ESG targets. Under the leadership of the Board and the ESG Committee together with the co-ordination of the Task Force, the relevant business departments and subsidiaries of the Company strictly abide by the relevant laws and regulations on sustainable development in the region where it operates in deciding on material issues, and have formulated relevant internal bylaws, policies, and procedures in accordance with international and local laws and regulations, industry standards and best practices and actively implemented the Company's all ESG policies and arrangements.

ABOUT LEGEND HOLDINGS



ESG Risk Management

During the Reporting Period, the Company evaluated and identified ESG risks it faced as always. Among them, a summary of the risks related to ESG matters and their countermeasures are as follows (for details, please refer to the 2022 Annual Report of the Company):

ESG-related Risks	Potential Impact on the Company	Response Management
<p>Supply risk</p> 	<p>The complex supply chains of our subsidiaries may likely be prone to hidden and uncontrollable ESG risks, including:</p> <ul style="list-style-type: none"> • The laws and regulatory standards of the countries in which indirect suppliers of the Company's subsidiaries may not be sound enough and thus products may not be sold in the country in which the purchaser locates as such products fails to meet the regulatory standards thereat. • Violation by any supplier (whether direct or indirect) may damage the reputation of our subsidiaries and the operation of the supply chain or even result in revocation of business licenses. • As ESG has been becoming our clients' important consideration when making purchase decisions, our subsidiaries may lose customers who value ESG factors such as suppliers' codes of conduct and environmental impact. 	<ul style="list-style-type: none"> • Our subsidiaries are committed to practising ESG throughout the entire supply chain. • A system backed by contractual obligations has been developed to ensure that suppliers will observe all applicable standards regarding labor, environment, health, safety, and ethics. • As members of Responsible Business Alliance (RBA), they will join hands with other players in electronic industry to address issues concerning the supply chain and comply with RBA's code of conduct and relevant audit requirements. It also directly attests several tiers of suppliers' compliance with the RBA system and independent audits. • To further optimize the due diligence work for their supply chains, our subsidiaries also use EcoVadis' IQ and the sustainable assessment tools integrated into suppliers' management practices. The supplier appraisal, risk identification, improvement suggestion, and progress report provided through the integration can bring forth improvement on an annual basis.

ESG-related Risks	Potential Impact on the Company	Response Management
<p>Environmental security risks</p> 	<ul style="list-style-type: none"> The advanced material industry in which the Company's subsidiaries operate is strictly regulated by the state in terms of environmental protection. As China accelerates the transformation of economic growth and promotes high-quality economic development, environmental protection awareness has been continuously enhanced and our subsidiaries have to comply with more stringent regulatory requirements. 	<ul style="list-style-type: none"> Our subsidiaries adhere to the strict implementation of the national environmental protection policy, and the pollutant discharge compliance rate has maintained 100% for many consecutive years since they become operational. In addition to increasing investment in energy conservation and environmental protection to ensure normal operations and timely upgrade of existing environmental protection facilities, we shall also continue to optimize the production processes and focus on the application of green environmental protection technologies. Facing the potential environmental pollution and natural disasters, our subsidiaries have purchased commercial insurance to forestall and defuse those risks.
<p>Risk on cyber-attack and security</p> 	<ul style="list-style-type: none"> The Company and its subsidiaries may face cyber-attacks or other attacks on their data security. This may result in a disruption on operations and damaged reputation. Breaches of the security measures and misappropriation of proprietary information, sensitive or confidential data about the Company's subsidiaries and their customers may lead to undermined reputation, disruption in business operation, exposure to potential litigation and liability that result in a loss of revenue and increased cost. 	<ul style="list-style-type: none"> Formulation of sound policies, robust incident response plans and processes, and training of our employees on vital data protection practices. Enhanced cyber security controls and information security, product security and privacy awareness. Compliance with mandatory privacy and security standards and protocols imposed by law, regulation, industry standards, or contractual obligations. To ensure that hardware, operating systems, product software and applications that our subsidiaries indigenously produce or procure from third parties protect and use customer data in a responsible manner.

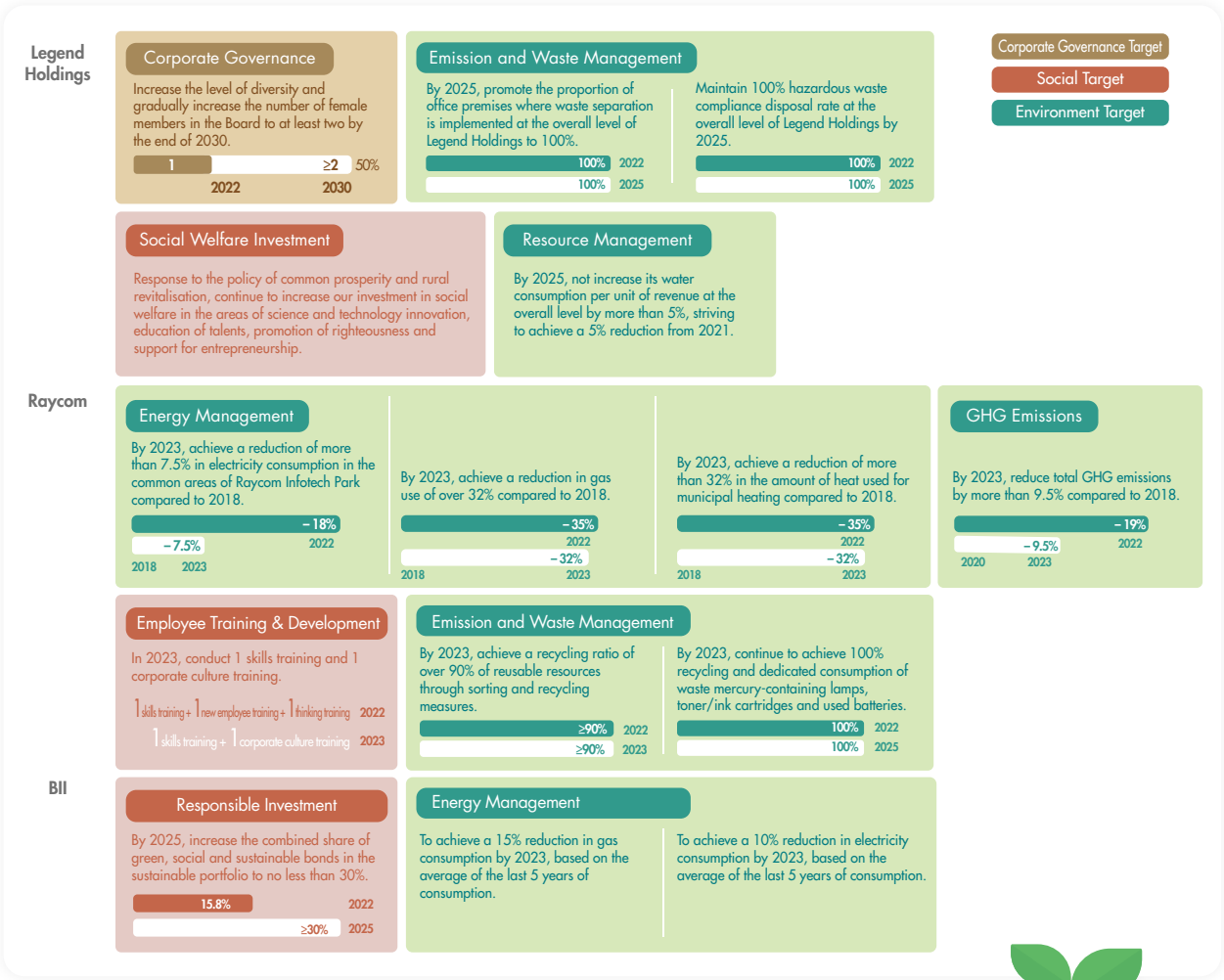
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ESG-related Risks	Potential Impact on the Company	Response Management
<p>Risk on intellectual property</p> 	<p>If the subsidiaries cannot develop and protect their own intellectual properties, or their suppliers are not able to develop or protect relevant technologies or obtain any necessary technology licenses, the subsidiaries will be exposed to risks of business costs, litigation and damaged reputation.</p>	<ul style="list-style-type: none"> • Take appropriate legal measures to protect know-how and trade secrets, apply for and enforce patents, and register and protect trademarks and copyrights. • Delegate intellectual properties as appropriate and monitor the validity and values of the intellectual properties to the Company's subsidiaries. • Obtain intellectual properties indemnifications from suppliers, or otherwise transfer the responsibility to protect the intellectual properties to suppliers. • Monitor, develop and implement IP litigation defense strategy. • Continue to develop and use the patent portfolio of our subsidiaries if appropriate to reduce potential costs. • Cooperate with other technology/product companies, and lobby for patent system reform to reduce costs.
<p>Compliance risk</p> 	<ul style="list-style-type: none"> • The Company, each of its subsidiaries and their employees may be subject to legal obligations, regulatory penalties, financial or reputation losses due to operations, management or practices in violation of regulations. • A number of laws, regulations and policies related to financial and fund management have been introduced by relevant departments in China and the supervisions from industry regulatory bodies have become increasingly stringent. All these may restrict the operation of the subsidiaries and increase compliance costs, and in turn may have impact on our financial performance. 	<ul style="list-style-type: none"> • Consistently and closely monitor compliance policy adjustment, and put increasing emphasis on the research and understanding of the latest laws, regulations and regulatory policies. • Strengthen the review of the effectiveness of the Company's internal control and risk management. • Promote the improvement and implementation of the accountability mechanism and increase the supervisions and punishment of violations. • Consult compliance advisors and internal and external lawyers about compliance matters to adjust compliant corporate development paths in timely response to relevant changes.

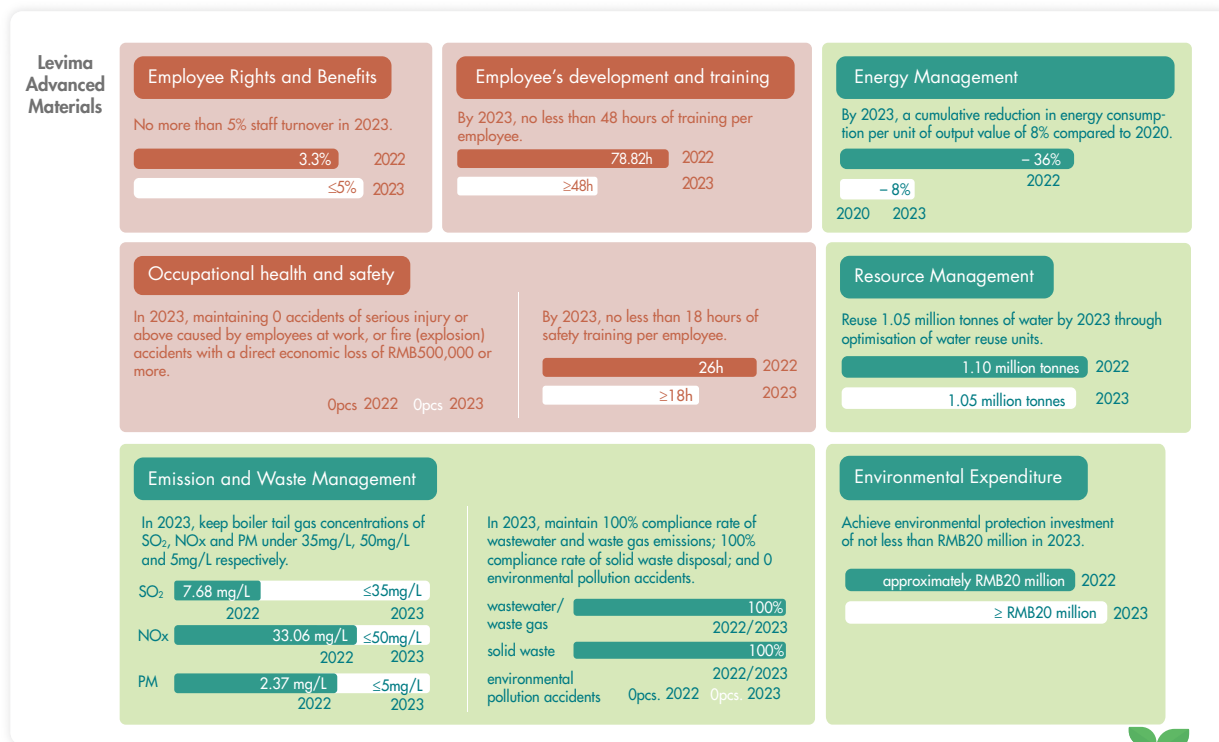
ESG Target Management

In order to further enhance the Company's ESG governance and management efficiency, the Company formulated and implemented a series of short-, medium- and long-term ESG targets during the Reporting Period, as detailed in the table below.

Our ESG targets for 2022



ABOUT LEGEND HOLDINGS



Note: Lenovo's own targets can be found in the "9.0 Long-Term KPI Progress" section of its 2021/22 ESG report.







ANALYSIS OF MATERIAL ISSUES

In 2022, Legend Holdings actively communicated with the internal and external stakeholders on the management of ESG-related material issues, fully understood their needs and listened to their opinions and advice. In addition, based on the questionnaire survey results and sorting of material issues of the stakeholders last year, the Company further considered the focuses of the local policies, laws and regulations of the domestic and foreign operating places as well as the latest excellent practices of peers and experts' advice, revised the results of analysis of material issues and thereby carried out the subsequent ESG management, disclosure and communication in a more targeted manner.

Communication with Stakeholders

Legend Holdings highly values the concerns and interests of all stakeholders for the Company's ESG management and believes that maintaining the communication with stakeholders serves as an important basis for sustainable development. The Company identifies key stakeholders and reviews the potential impacts of business and operation links and relevant activities on them. The Company maintains a long-term and close contact with each stakeholder and their representatives through various communication channels such as questionnaires, performance evaluations, and business exchanges to listen to their opinions and feedbacks on ESG management efforts made by the Company.

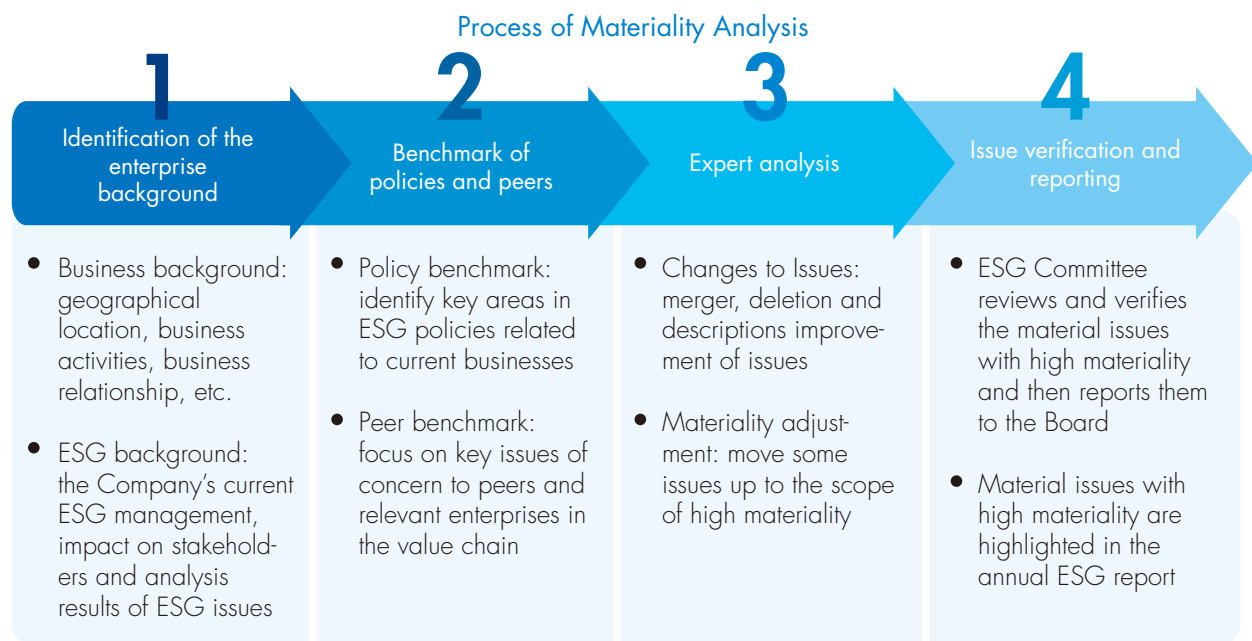
Key Stakeholders of Legend Holdings and Communication Channels

Key stakeholders	Representative of stakeholder	Major communication channels
Board and management 	Members of the Board, CEO and department managers	<ul style="list-style-type: none"> • Board meetings • Administrative meetings • Communication via emails and telephone
Employees (excluding the management) 	Representatives of the Labor Union and Congress of workers and staff and other worker representatives serving the Company	<ul style="list-style-type: none"> • Employee activities • Themed trainings • Congress of workers and staff • New employee orientations • Employee engagement and satisfactory survey • “Progress email” column
Shareholders/ Investors 	Domestic and overseas shareholders and key financial investors	<ul style="list-style-type: none"> • General meetings • Investors’ roadshows • Annual and interim reports
Suppliers and partners 	Key manufacturing/non-manufacturing suppliers, industrial associations and chambers, standardisation working teams and university partners	<ul style="list-style-type: none"> • Communication meetings • Supplier evaluations • Bid invitation and procurement procedures
Customers 	Key customers of subsidiaries	<ul style="list-style-type: none"> • Customer service hotline • Company’s official website • Social media, e.g., official WeChat account
Community representatives 	Non-governmental organisations, non-profit organisations and other social organisations, official media and key we-media in the Company’s operating areas	<ul style="list-style-type: none"> • Community investments • Volunteer services • Charity and donation projects • Company’s official website • Social media, e.g., official WeChat account

ABOUT LEGEND HOLDINGS

Materiality Analysis

Based on the relevant results of questionnaire surveys of stakeholders and issue materiality evaluation conducted last year, and taking into account the business backgrounds of the Company and its subsidiaries and their impact on the stakeholders, the domestic and foreign ESG-related policies, laws, regulations and latest policies of stock exchanges (such as the latest requirements of the HKSE for the ESG information disclosure) related to their businesses, the issues of concern to the Hang Seng Corporate Sustainability Indexes, excellent ESG management practices of peers and opinions of external experts, Legend Holdings dynamically adjusted the identification and sorting results of the material issues.



The Company added, merged or deleted several issues (e.g., adding “Circular Economy” and “Biodiversity Conservation”, etc.) in response to the concern of stakeholders, made descriptions of some issues more accurate for easier understanding of stakeholders, and adjusted the materiality of some issues considering the opinions of external experts and the Company’s actual status of management.

Main Changes to Material Topics in 2022

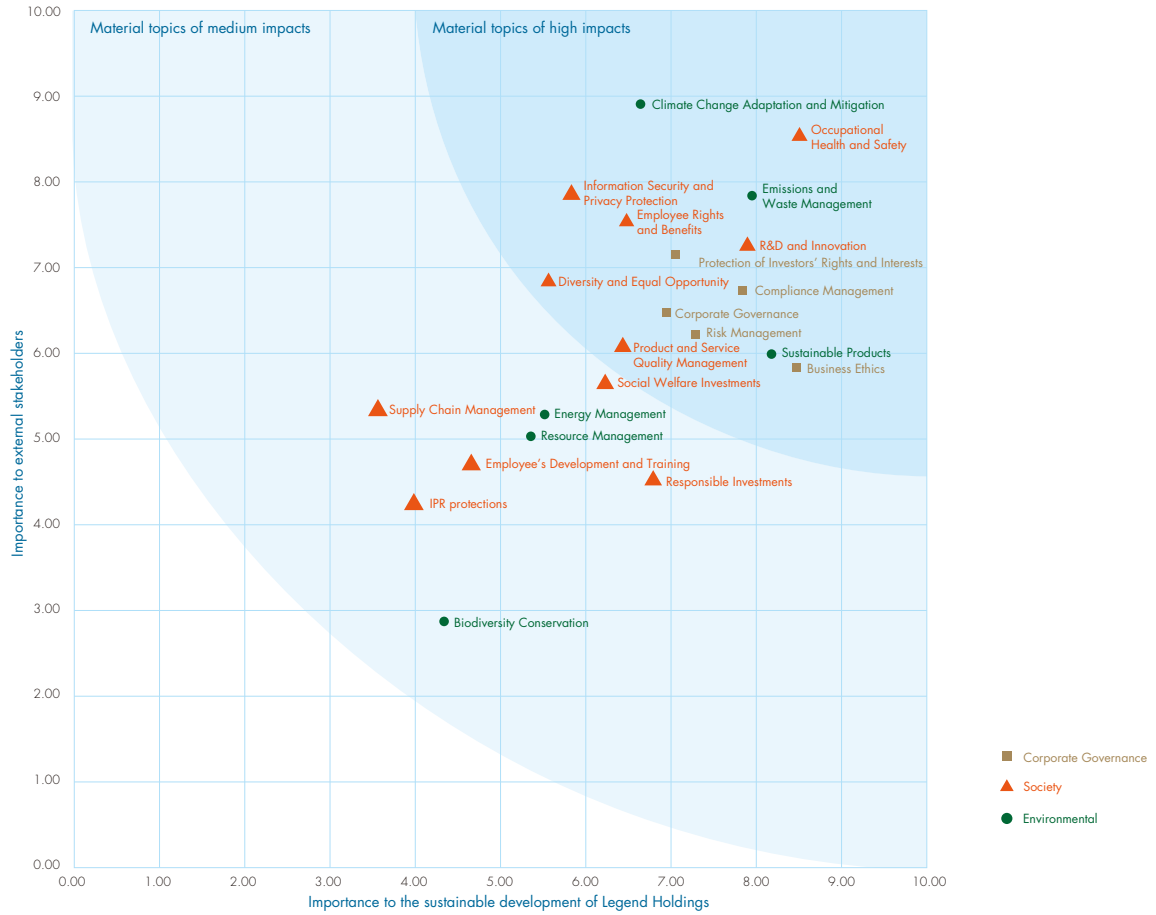
Material topics in 2021	Material topics in 2022	Change Explanation
Integrity as Corporate Culture Anti-Corruption	Business Ethics	Issues merged to highlight the construction of the overall management system and mechanism establishment for business ethics as a response to the requirements of the HKSE <i>Guide</i>
Legal Compliance	Compliance Management	Description changed to expand the issue definition to be in compliance with all relevant laws, regulations and regulatory requirements.
Information Disclosures Protection of Shareholders' Rights and Interests	Protection of Investors' Rights and Interests	Issues merged to expand the scope from shareholders to shareholders, creditors and other stakeholders.
Risk and Crisis Management	Risk Management	Description changed to highlight that "crisis management" is part of "risk management".
Communication With Stakeholders	–	Issue deleted for the reason that the stakeholder communication is an important link and intrinsic requirement for promoting the management of other material issues and should not be listed and managed separately.
Employees' Health and Safety	Occupational Health and Safety	Description changed for easier understanding of stakeholders.
Product Quality and Responsibility	Product and Service Quality Management	Description changed to include the relevant contents of the subsidiaries' ESG management, such as customer/consumer service.
Privacy Protection and Information Security	Information Security and Privacy Protection	Description changed in response to the concern of stakeholders on some issues, including ICT and data security of the financial industry.
Employment and Labor Standards	Employee Rights and Benefits Diversity and Equal Opportunity	Issue split, where the "employment" part is included in the employees' basic rights and interests of "Employees' rights and interests and welfare" and the employees' basic rights and interests and labor standards are expanded to cover all rights and interests and the overall welfare system; "Diversity and Equal Opportunity" is added as a response to the increasing attention of stakeholders and the key efforts of the Company on this aspect are disclosed to display its ESG leadership.

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Material topics in 2021	Material topics in 2022	Change Explanation
Green Products	Sustainable Products	Description changed to expand the issue scope to all-round sustainable benefits of products, including major topics of the industry, such as circular economy and recycling.
Air Pollution Emissions and Management Waste Disposal and Recycling	Emission and Waste Management	Issues merged to expand the issue definition to the emissions of all types of pollutants and wastes and integrate the “recycling” part into the issues, namely “sustainable products” and “resource management”. It responds to the requirements of the HKSE <i>Guide</i> in a more targeted manner.
Greenhouse Gas (GHG) Emissions and Management	Climate Change Adaptation and Mitigation	Description changed to expand the issue definition to include two major parts, namely “mitigation” of and “adaptation” to the climate change by referring to the requirements of relevant national policies and the advice of TCFD.
–	Resource Management	Newly-added issue that further highlights the use and management of resources excluding energy and completes the contents covered by the issues of environmental dimension.
–	Biodiversity Conservation	Newly-added issue that responds to key topics of the industry, such as investment and holding, ICT, advanced materials and property management and the concern of stakeholders and urges the Company to make further efforts.
Green Investments	–	Issue deleted and merged into the definition of “responsible investments” for a merged management.

The Company comprehensively considered the benchmark results and opinions of external experts, made the above changes to the material issues and re-evaluated the materiality ranking. Upon the review and verification of the ESG Committee, the 2022 materiality matrix of issues and the high materiality issues in need of key management were determined.

2022 Materiality Matrix





SPECIAL TOPIC 1 RESPONSIBILITY

- SERVING
THE COUNTRY
THROUGH
INDUSTRIES



SPECIAL TOPIC 1 RESPONSIBILITY • SERVING THE COUNTRY THROUGH INDUSTRIES

“Serving the country through industry” is the original aspiration and vision of Legend Holdings. We adhere to the spirit of openness and pragmatic working style, keep forging ahead with determination, devote our efforts to technological innovation, focus on real economy, weave company growth into national development, relate ourselves to the country’s future and people’s wellbeing and march forward together with the development of times and expectations of the society, actively contributing our power to the national and social development.

DEVELOPMENT OF INDUSTRIES

Since our establishment in 1984, Legend Holdings has overcome numerous obstacles thanks to the leadership and support of the Chinese Academy of Sciences and developed from a sci-tech enterprise into a holding company with leading member enterprises in multiple industries and international influence, promoting China’s scientific and technological progress and the high-quality development of the real economy.

Company History

Stage 1: 1984-2000 Development in IT sector

In 1984, responding to the call of “industrialisation of scientific and technological achievements” and with an investment of RMB200,000 from the Institute of Computing Technology of the Chinese Academy of Sciences, Legend was founded by 11 researchers including LIU Chuanzhi. As China implemented the reform and opening up policy, the Company grew bigger and gradually explored a path of technological industrialisation with Legend’s characteristics. The Company constantly summarised the basic laws of enterprise management in practices, and cultivated a group of leading figures and outstanding talents, laying a solid foundation for the further development of the Company.



Stage 2: From 2001 to now: Industrial Operations and Investments Group

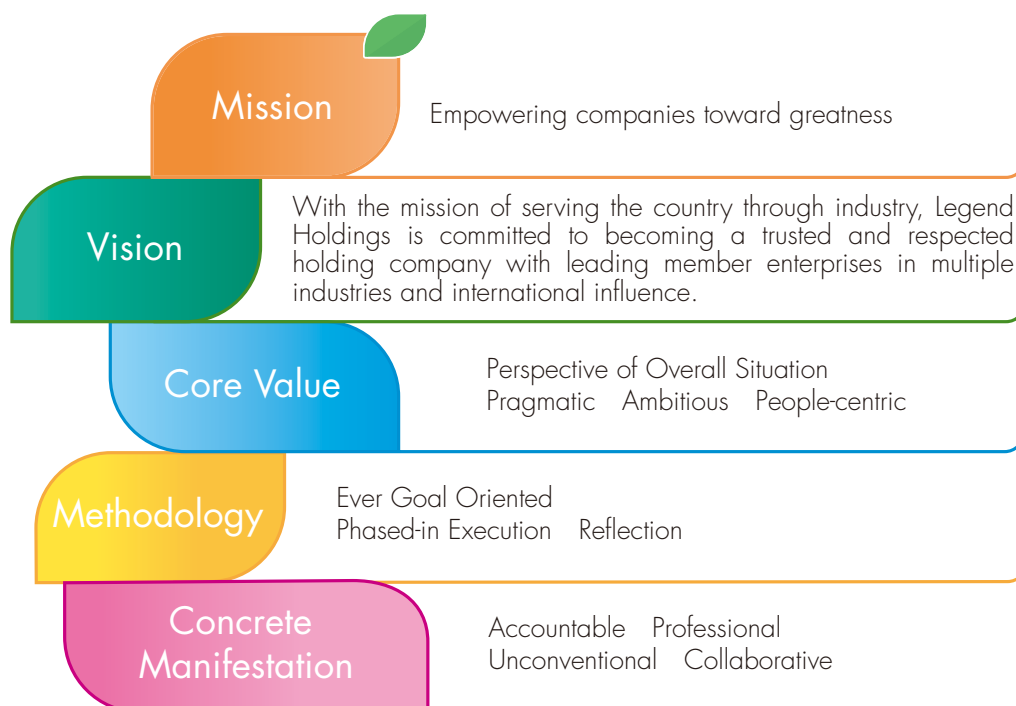
Based on the corporate vision of “serving the country through industry”, Legend Holdings has been committed to cultivating more industries and empowering the development of China’s real economy. With the guidance and support of the major shareholder, the Chinese Academy of Sciences, Legend Holdings has gradually grown into an industrial operations and investments group rooted in China, serving the domestic market, and carrying out international business. The Company has identified two major business segments: industrial operations and industrial incubations & investments. Through practical and effective management and service models, it promotes the long-term value growth of the enterprise, as well as industrial progress and technological innovation.

-
- 2001
 - Legend was split into Lenovo and Digital China in order to promote the respective development of two main businesses, namely its self-owned brand and agency distribution
 - Legend Holdings carried out shareholding reform
 - Legend Holdings founded Legend Investment (later renamed “Legend Capital”) with the purpose of empowering and promoting the growth of innovative and entrepreneurial enterprises in China through “equity investment + value-added services”
 - 2003
 - Legend Holdings established the corporate vision
 - Legend Holdings founded Hony Capital that focuses on promoting the development of China’s real economy by utilizing high-quality capital at home and abroad
 - 2004
 - On its 20th anniversary, Legend Holdings established the Company’s CSR development plan and incorporated it into its overall development strategy
 - Legend Holdings set up the “Legend Advancing Education Fund”, and launched the “Legend Progress Class” to support poor students to finish college education. It also set the “Legend Capital Heroic Models and Courageous Persons Special Fund (聯想首都英模暨見義勇為人士專項基金)” together with Mr. LIU Chuanzhi
 - Lenovo became the first global partner of The Olympic Partner Program (TOP) from China
 - 2008
 - Legend Star was established that is dedicated to resolving the bottleneck of talent issue amid the commercialisation of scientific and technological achievements
 - 2010
 - Levimia Group was established that is committed to building an advanced material industry cluster and thereby meeting the differentiated demands of high-end materials in certain fields
 - 2013
 - Legend Holdings set up Charity Foundation and initiated the public welfare program “Moist Initiative (濕潤行動)” to promote social integrity
 - Lenovo PC jumped to world’s No. 1 by market share
 - 2015
 - Legend Holdings was listed on the main board of the Stock Exchange of Hong Kong
 - 2018
 - Legend Holdings set up the “Legend Holdings Maternal Entrepreneurship Revolving Fund” aiming to help women in rural areas to start their own businesses or find jobs
 - Legend Holdings strategically invested in BIL, supporting Chinese companies and Chinese-invested financial institutions to “go global”, while actively “attracting” foreign investors
 - 2020
 - Levima Advanced Materials was listed on the Shenzhen Stock Exchange
 - 2022
 - Legend Holdings announced to donate RMB60 million to the University of Chinese Academy of Sciences Education Foundation and set up the “Legend Holdings Technological Innovation Program Fund”

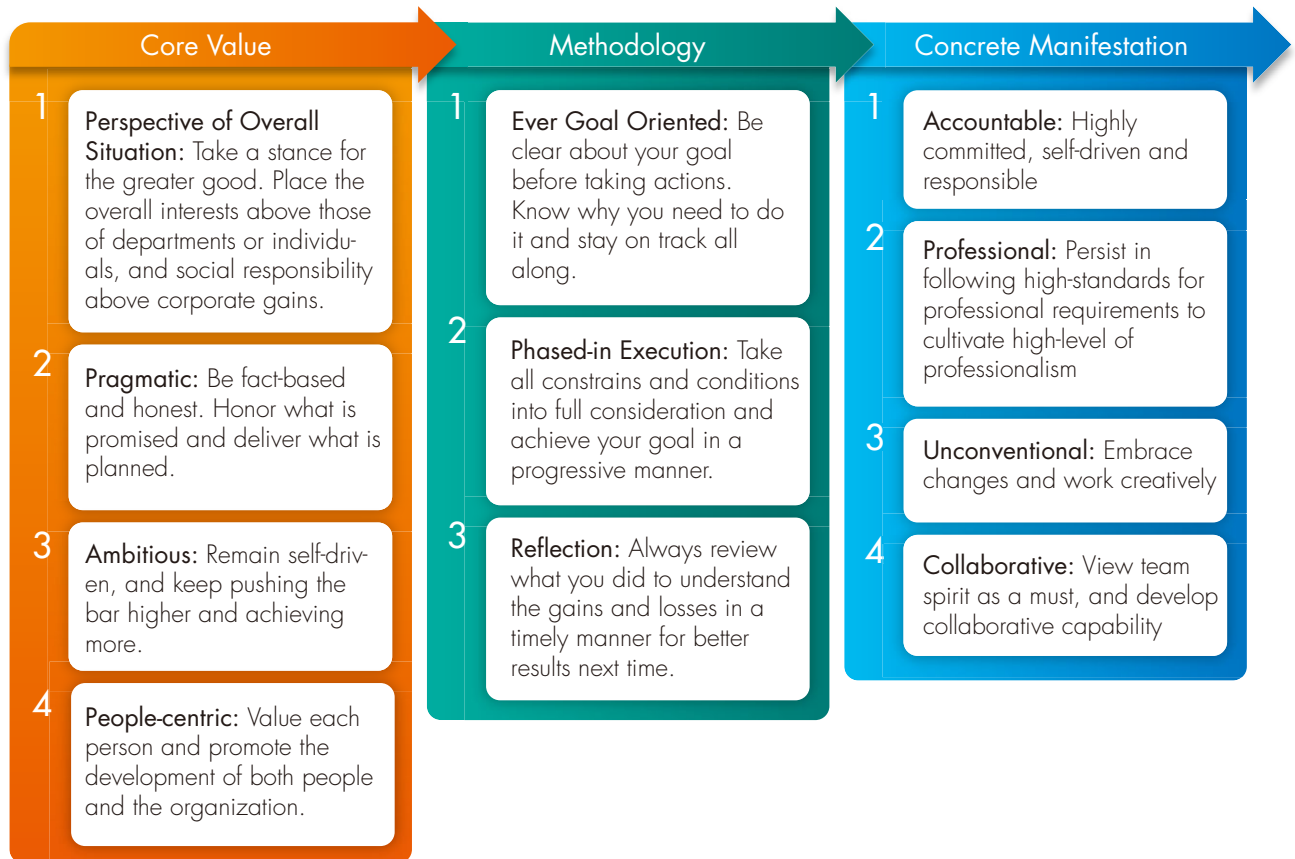
SPECIAL TOPIC 1 RESPONSIBILITY • SERVING THE COUNTRY THROUGH INDUSTRIES

Corporate Culture System

Corporate culture is invaluable that is formed as an enterprise grows and related closely to the management and operation of the enterprise. The corporate culture of Legend Holdings comprises five layers, namely mission, vision, core value, methodology and concrete manifestation. The cultural connotations at each layer move forward with the times, coagulating the consensus of generations of employees.



Wherein, the core value agrees with the Company's mission and vision constituting the foundation for the key belief and corporate culture for the long-term development of Legend Holdings. Guided by the core value, methodology leads the employees to think and to solve problems. Both the core value and methodology constitute the "root culture" of the Company's Family Group. The concrete manifestations under the guidance of the "root culture" allow the culture to better adapt to business development and guide the daily work and practices of the Company.



Since Legend Holdings initiated its strategic investment business in 2010, the Company has always been actively sharing its own corporate culture and management experiences with investee companies in order to align their cultural concepts with the Company's culture and philosophy. The Company carries out the "Modelling" training sessions, Excellent Employee and Excellent Subsidiary selection activities, etc. in order to assist the investee enterprises and their employees in recognising, understanding, and fulfilling the corporate culture of Legend Holdings at work, laying a solid foundation for promoting the technological innovation and industrial development.

SPECIAL TOPIC 1 RESPONSIBILITY • SERVING THE COUNTRY THROUGH INDUSTRIES

WELFARE ACTIVITIES

Legend Holdings always strives to become a “trusted and respected” enterprise. The Company has incorporated corporate social responsibility into the overall development strategy and promoted the simultaneous development of business and society in line with the new development pattern promoted by the Party and the nation by utilizing our advantages in primary businesses.

“Rural Revitalization” and “Technological Innovation” are two key sectors for co-promoting social development. By supporting the development of rural talent and industries, we boost the high-quality employment and start-ups in rural areas and promote the rural revitalization. Besides, relying on our accumulated scientific and technological achievements and experience, we incubate the technological innovation enterprises and facilitate the industrialization of the achievements through transforming technologies and talents as well as finding and cultivating more leading talents.

Rural Revitalization: Empowering Education to Support Rural Talent Development

Talents are most important for rural revitalization. Since Legend Holdings set up the “Legend Advancing Education Fund (联想进取教育基金)” which changed its name to “Legend Holdings Rural Education Fund” later and opened the “Legend Progress Class (联想

进取班)” in 2004, the Company has always treated them as the key public welfare projects, continuously increased the investment in rural education and empowered the development of rural education on multiple dimensions. The Company provided tuition fees and living expenses for senior high school students from low-income families in Yanqing, Beijing, Huining, Gansu Province, Duyun, Guizhou Province, Beichuan, Sichuan Province and Liupanshan, Ningxia Hui Autonomous Region and organized a series of empowering training activities to help them expand the vision, cultivate the right values, improving their comprehensive competence and accessibility to higher education, and promoting the talent development for rural revitalization.

At the inauguration of 2022 “Legend Progress Class”, we further adopted more themes and contents for empowering activities and provided the training sessions about international political and economic situation analysis, psychological lectures, college entrance examination and career planning, etc. Besides, we included the faculty members engaged into empowering training to gradually improve their teaching quality and tutoring ability. This program covered nearly 14,000 faculty members and students from Gansu Huining No. 2 Middle School, Guizhou Duyun No. 2 Middle School and Ningxia Liupanshan Senior Middle School.

Since the program was launched, the “Legend Progress Class” has helped more than 3,000 senior



Opening Ceremony of “Legend Progress Class”



Empowering Lecture of “Legend Progress Class”

high school students from low-income families. More than 2,400 of them have been admitted to universities. They spontaneously established the “Association of College Students from Legend Progress Class” and worked as volunteer teachers during summer vacations with the financial support of Legend Holdings Charity Foundation. During the summer vacation in 2022, the “Association of College Students from Legend Progress Class” held the volunteer teaching activity titled “Bloom of Youth – Supporting Rural Areas”, bringing knowledge to remote places and passing on the power of public welfare.

Rural Revitalization: Facilitating the Employment of Women in Rural Areas

In 2018, Legend Holdings continued its in-depth cooperation with China Women’s Development Foundation and set up the “Maternal Entrepreneurship Revolving Fund” that aims to provide small interest-free loans and poverty alleviation funds to help women to start up their own businesses. In September 2022, the two parties continued to strengthen cooperation, focusing on the development of rural industries, and invested project funds in the manual grass weaving in Yushu City and planting of high-quality rice in Yongji County, Jilin City. So far, the project has helped the women from low-income families to start businesses with local characteristics, who were from Shuangjiang County of Yunnan Province, Pengshui County of Chongqing City, Yushu City of Jilin Province, jointly promoting the local development towards improving agriculture by high-quality and green products while giving first priority to effectiveness. As of the end of the Reporting Period, Legend Holdings had provided fund to 268 rural women and families and benefited around 1,500 persons.



Donation Ceremony of Legend Holdings’ “Maternal Entrepreneurship Revolving Fund”

Technological Innovation: Mutual Integration of Business Value and Social Welfare

Relying on our own advantageous businesses and abundant resources, Legend Holdings actively carries out the technological innovation-related public welfare activities and thereby brings up technological innovation talents and high-skilled professionals in “new IT” sectors, promoting the industrialisation of the scientific and technological achievements and contributing to the longer-term development and technological reform of the society.

Bringing Up Leading Talents in Technological Innovation

For cultivating the leading talents in technological innovation, Legend Holdings and Chinese Academy of Sciences have jointly initiated the Legend Star since 2008, which aims to find and bring up technological entrepreneurial leaders through “early investment” and “in-depth incubation” and build up and spread the concept of industrialisation of scientific and technological achievements and technological entrepreneurship. In addition, the Company established the Legend Star Start-up CEOs Free Training Program (联想之星创业CEO特训班) and Legend Star Entrepreneurship Alliance (联想之星创业联盟) that assisted in the resource sharing among startups and venture capital institutions, bringing up technological entrepreneurial leaders and promoting the rapid development of technological entrepreneurship enterprises through free trainings.



Legend Star Start-up CEOs Free Training Program

SPECIAL TOPIC 1 RESPONSIBILITY • SERVING THE COUNTRY THROUGH INDUSTRIES

Legend Star Start-up CEOs Free Training Program

With our years of entrepreneurship, management and investment experience and the intellectual resources of the Chinese Academy of Sciences, Legend Holdings meticulously refines the courses, sticks to supporting public welfare and provides free entrepreneurship training to Chinese entrepreneurs.

By the end of 2022, a total number of 16,568 enterprise founders applied for the training courses and 1,233 of them were enrolled.

Legend Star Entrepreneurship Alliance

The main members of the Entrepreneurship Alliance include the students of the past Legend Star Start-up CEOs Free Training Program and the Legend Star investees. This is a platform for advocating entrepreneurship, knowledge exchange, solving problem, resource sharing, and win-win cooperation. Diverse entrepreneurship activities and products are introduced as well.

By the end of 2022, 1,233 member enterprises held over hundred entrepreneurship activities successfully.

Bringing up Technical Talents in Technological Innovation

In terms of bringing up technical talents in technological innovation, in December 2022, Legend Holdings announced to donate RMB60 million to the University of Chinese Academy of Sciences Education Foundation and set up the "Legend Holdings Technological Innovation Program Fund". The fund will be used for the cultivation of scientific and technological talents and fundamental researches of University of Chinese Academy of Sciences in information technology, artificial intelligence, new materials, biotechnology, etc., which will boost the integration of production, education and research, deeply implement the concept that "science and technology constitute the primary productive force, talents the leading resource and innovation the biggest motive" upheld by the national strategies of developing the country through science and education, reinvigorating through human resource development and driving development through innovation, and will contribute to the China's self-reliance and self-improvement in high-level technology.

Bringing Up High-skilled “Purple Collar” Talents in IT Sector

The development and application of technological innovations relies on the intelligent manufacturing and the inter-disciplinary talents who are necessary to the intelligent manufacturing and own both hands-on skills and management and innovation abilities – also known as “purple collar” talents. As a leader in the “new IT” sector, Lenovo promotes the vocational education with enormous efforts for many years and owns key elements for cultivating “purple collar” talents, which paves the career development path for the technical and skilled talents in the intelligent manufacturing sector and boosts the cultivation of high-skilled “purple collar” talents. In March 2021, Lenovo joined hands with multiple Chinese universities, vocational colleges and upstream and downstream enterprises of the supply chain to formally initiate the “Purple Collar Project”. Lenovo Foundation funds secondary and higher vocational students from rural areas and Lenovo Supply Chain provides the high-quality vocational skill training and jobs.

“Purple collar” talents refer to the inter-disciplinary talents who meet the requirements of intelligent manufacturing, know well about the actual manufacturing process and related technological theories, and own both hands-on skills and management and innovation abilities.

As of the end of the Reporting Period, the “Purple Collar Project” had cooperated with more than 400 schools and cultivated nearly 40,000 students. In the future, Lenovo will summarise and refine its “purple collar” talent cultivation model and methodology and cultivate and provide “purple collar” talents to all industries, cooperating with various parties to improve the overall skill and competence of Chinese manufacturing talents.



Lenovo and vocational colleges jointly set up “New IT Public Practice Base”



SPECIAL TOPIC 2
PRACTICE •
PROTECTING OUR
BEAUTIFUL PLANET
WITH GREEN AND
LOW-CARBON
BEHAVIORS



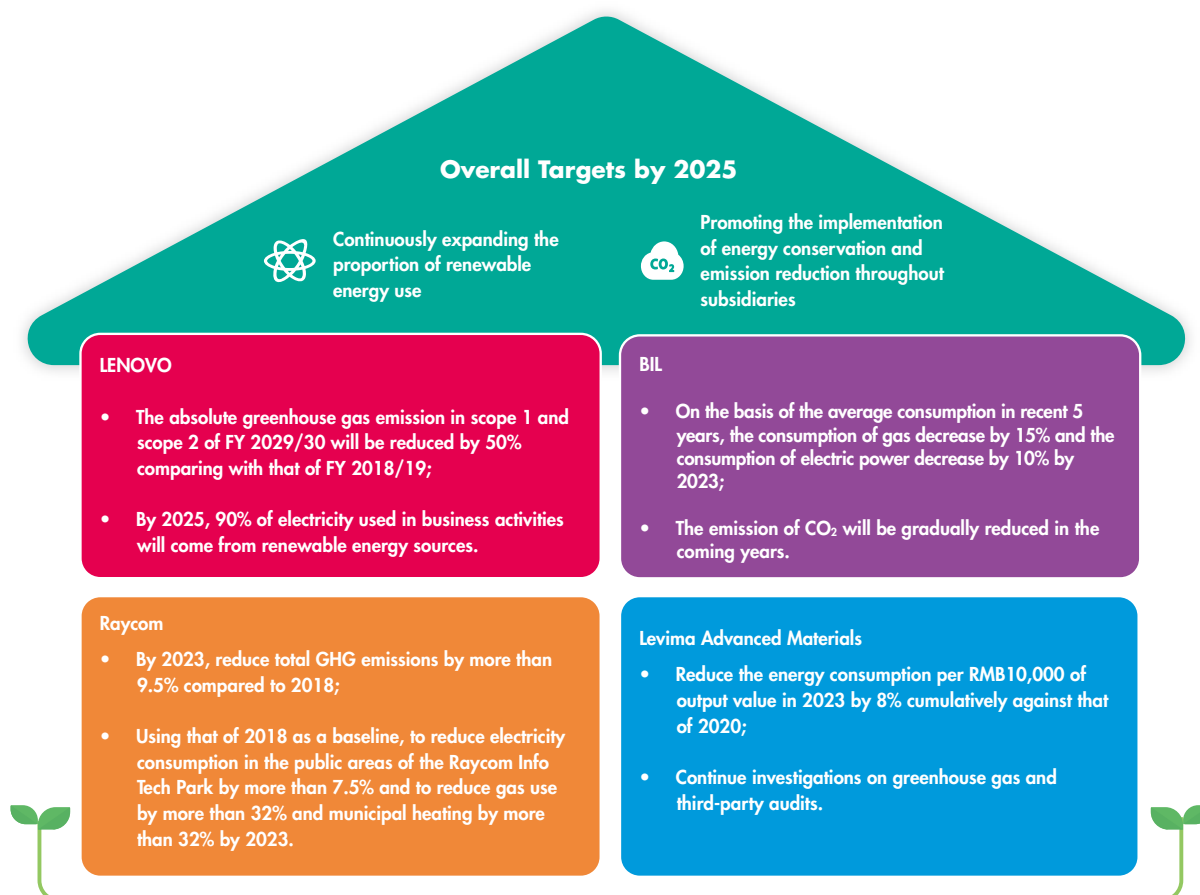
SPECIAL TOPIC 2 PRACTICE · PROTECTING OUR BEAUTIFUL PLANET WITH GREEN AND LOW-CARBON BEHAVIORS

With the increasingly severe global climate challenges, Legend Holdings actively responds to the global call against the climate change and the carbon peak and carbon neutrality goals of Chinese government and supports the investment businesses to implement diverse and effective energy-saving and emission reduction measures, aiming to reduce the carbon footprint of operation and business activities and actively address climate changes.

LOW-CARBON STRATEGIES

To drive the implementation of low-carbon strategy and emission reduction actions, the Company formulated the 2025 overall green and low-carbon targets¹, namely “continuously expanding the proportion of renewable energy use; promoting the implementation of energy conservation and emission reduction throughout subsidiaries”, in response to the national “Dual Carbon” goals and to achieve corporate carbon neutrality. The subsidiaries also set low-carbon targets based on their actual business, forming a multilayer and targeted low-carbon target system and specifies the overall orientation for underpinning carbon reduction paths and measures.

Low-carbon Target System of Legend Holdings







¹ The coverage of such targets include Legend Holdings, Lenovo, Levima Advanced Materials, BIL and Raycom.

Lenovo: setting up science-based emission reduction targets and route planning

In June 2020, Lenovo set up science-based emission reduction targets and passed the certification of Science Based Targets initiative (SBTi). The emission reduction targets of Lenovo within scope 1 and 2 are consistent with the long-term targets of the *Paris Agreement*, i.e., keeping the global average temperature rise below 1.5°C. The emission reduction targets within scope 3 are consistent with the long-term emission reduction targets put forward by SBTi and the current global best practices. These targets have a base year of FY 2018/19 and a target year of FY 2029/30. Lenovo prepared the detailed road maps for the target achievement to propel the achievement of the science-based emission reduction targets.

Lenovo's Emission Reduction Road Map

LENOVO EMISSION REDUCTION TARGETS		ROAD MAP	PROGRESS AS OF FY 2021/22 BASE YEAR: FY 2018/19	FY 2029/30 TARGET
	Reduce absolute Scope 1 + Scope 2 GHG emissions 50%	Hierarchical combination of energy efficiency, on-site renewable energy generation, and renewable energy commodities	-15%	-50%
	Reduce Scope 3 GHG emissions from use of sold products 25% per comparable product (for notebooks, desktops and servers)	Reduce product emissions through energy efficiency improvements of: <ul style="list-style-type: none"> • Desktops by 50% • Servers by 50% • Notebooks by 30% 	-2%	-25%
	Reduce Scope 3 GHG emissions from purchased goods and services 25% per million US\$ procurement spend	<ul style="list-style-type: none"> • Inclusion of climate change requirements in Supplier Code of Conduct • Supplier climate data collected annually from subset of suppliers • Climate change KPIs included in supplier ESG scorecards (evaluation process) 	-7% ¹	-25%
	Reduce Scope 3 GHG emissions from upstream transportation and distribution 25% per tonne-km of transported product	<ul style="list-style-type: none"> • Modal shift to "greener" modes of transport • Optimization of transport planning • Increase of vehicle utilization • Improvement of vehicle fuel efficiency 	+4% ¹	-25%

¹ Lenovo is improving the input data for scope 3. For details, refer to the Lenovo's 2021/22 ESG Report.

In March 2022, Lenovo signed the SBTi Commitment Letter and made a commitment on the net zero emission target, including a long-term science-based carbon target. Lenovo responds to the urgent appeal of SBTi for the enterprises' climate actions, makes a commitment to achieve the 1.5°C and net zero emission targets through the "Business Ambition for 1.5°C" and participates in the "Race to Zero" of *United Nations Framework Convention on Climate Change* (UNFCCC).

SPECIAL TOPIC 2 PRACTICE · PROTECTING OUR BEAUTIFUL PLANET WITH GREEN AND LOW-CARBON BEHAVIORS

TOWARDS CARBON NEUTRALITY

Under the guidance of climate change governance and target system, Legend Holdings and its subsidiaries actively took targeted carbon reduction measures against various emission sources existing in operation and upstream and downstream value chain, marching towards carbon neutrality.

In 2022, Legend Holdings focused on the carbon reduction actions of the entire value chain and implemented the low-carbon measures in procurement, logistics, production and operations.

Low-carbon Actions of Legend Holdings and Its Subsidiaries across the Entire Value Chain

	Low-carbon Procurement and Logistics	Low-carbon Production and Operations	Low-carbon Products and Services
Carbon Emission Accounting and Management	Legend Holdings <ul style="list-style-type: none"> Procure office supplies (business cards, printing paper) containing renewable materials 	<ul style="list-style-type: none"> Adopt VMware virtualization technology for less energy 	N/A
	Lenovo <ul style="list-style-type: none"> Support low-carbon transportation and air transportation pilot project of carbon neutrality Use renewable materials such as recycled plastic and secondary metal Increase the use of recycled and renewable materials in packaging 	<ul style="list-style-type: none"> Improve the energy efficiency of operating facilities Construct renewable energy facilities Promote the new low-temperature solder paste process Obtain the zero carbon plant certification 	<ul style="list-style-type: none"> Improve the energy efficiency of desktops, servers, laptop computers, etc. Improve the durability and maintainability of products Conduct product lifecycle management through the last stage and support recycling Obtain the green product certification
	Raycom <ul style="list-style-type: none"> Set requirements for some project suppliers on green raw materials and construction 	<ul style="list-style-type: none"> Conduct smart energy operation and maintenance management Support green building certification (LEED/WELL/Three-star Certificate of Green Building Label) 	<ul style="list-style-type: none"> Support clients in obtaining green building certification
	Levima Advanced Materials <ul style="list-style-type: none"> Carry out projects with coordinated efforts from the industry chain for the self-supply of raw materials Set emissions restrictions for transport trucks 	<ul style="list-style-type: none"> Use MTO grade methanol, optimise the operation of steam pipeline and reduce the steam consumption Conduct smart-production-platform-based energy management Conduct the technical upgrade and capacity expansion of equity investment projects 	<ul style="list-style-type: none"> Supply low-carbon products such as EVA photovoltaic materials and EOD special surfactant materials
	BIL <ul style="list-style-type: none"> Support the procurement of new energy vehicles for business purpose 	<ul style="list-style-type: none"> Use 100% renewable electricity (EcoMix + Hydropower) Conduct energy-saving transformation and energy efficiency improvement in office areas Support online meeting as a substitute for business trips 	<ul style="list-style-type: none"> Include green bonds (including supporting climate change mitigation activities) in the investment portfolio Provide climate loans and photovoltaic loans Obtain ESG label licensed by LuxFLAG for fund products

Case | Low-carbon procurement and logistics: making coordinated efforts to reduce the upstream carbon emission

In the upstream value chain, we focus on the low-carbon procurement and logistics and develop the specific carbon reduction measures based on the material emission types of the subsidiaries, striving to build a green and low-carbon value chain through coordinated efforts.

- Legend Holdings procures 100% of office supplies containing renewable materials, reducing the operation carbon footprint.
- Lenovo is committed to replacing air transport with land and sea transport to improve the transport efficiency and is listed in the first batch of IT hardware companies selected as the carbon neutrality air transport pilots. In January 2022, Lenovo put into use the world's first regular airfreight route supported by sustainable aviation fuel to ensure the greenhouse gas zero emission of the airline.
- Levima Advanced Materials uses the vehicle access control and recognition system to strictly restrict the emission of cargo-carrying vehicles and ensures that they comply with the national stage V emission standard.
- BIL set the emission limits for the procured vehicles, 81% of which were electric and hybrid vehicles.



SPECIAL TOPIC 2 PRACTICE · PROTECTING OUR BEAUTIFUL PLANET WITH GREEN AND LOW-CARBON BEHAVIORS

Case | Low-carbon production: Lenovo built the “zero carbon model” for Chinese ICT plants

Wuhan Industrial Base of Lenovo is the largest smart mobile equipment manufacturing base of Lenovo across the globe. While seeking for the rapid growth, Wuhan Industrial Base has continuously promoted the ecological design of products, adopted environment-friendly materials, optimised manufacturing processes and pushed the renewable energy, building the “zero carbon model” for Chinese traditional manufacturing plants.

Four Methods for Zero Carbon Transformation in Wuhan Industrial Base

Green energy use

- Improve the daylighting design of buildings and adopt LED lighting to reduce energy demand.
- Complete the construction of distributed photovoltaic power stations, reducing annual carbon emission by 1,104 tCO₂e.

Green technique innovation

- Introduce the cryogenic nitrogen making technology to improve the nitrogen extraction rate, reducing power consumption by more than 50% and saving daily power consumption by above 10,000 kWh.

Digital transformation

- Create equipment management platform to improve the equipment utilisation rate.
- Independently develop the data middleground IDEAS and intelligent planning system APS, realising the data interconnection and efficient management.
- Integrate other “new IT” technologies, such as Industrial Internet, artificial intelligence and 5G into the intelligence innovations projects of manufacturing industry.

Green product lifecycle management

- Establish the product lifecycle management system and continuously reduce the material consumption of products and resource consumption during manufacturing.
- Evaluate the lifecycle carbon footprint for products, including mobile phones and tablet computers.

In 2022, Wuhan Industrial Base of Lenovo was awarded the zero carbon industrial certificate issued by the Certification Center of China Electronics Standardisation Institute under the administration of the Ministry of Industry and Information Technology after evaluation, and became the first and only zero carbon plant certified by a third party in Chinese ICT industry. In addition, Lenovo’s manufacturing bases in cities of Hefei, Chengdu and Huiyang also constructed their own green plants. The key partners in Lenovo’s supply chain, TCL CSOT (華星) and AUO (友達光), also made a commitment to set up their zero carbon plants thanks to the leadership of Lenovo.



Case | Low-carbon operations: Raycom built green and low-carbon buildings

Raycom actively promotes the construction and operation of green and low-carbon buildings and industrial parks. Since 2018, it has implemented the energy-saving transformation of the buildings in the Raycom Info Tech Park and taken energy-saving measures, including the upgrade of lighting system and group control system of server rooms, and the construction of the intelligent O&M management platform, which have significantly reduced emission. In 2022, Raycom Property Investment Co., Ltd. saved energy and improved the micro air environment during the decoration of office area by selecting environment-friendly materials, indoor temperature control, arrangement of green plants, etc., and supported and guided tenants in green building decoration.

As of the end of the Reporting Period, Raycom achieved outstanding outcomes and won wide recognition in supporting the green and low-carbon transformation of office buildings:

- Raycom Info Tech Park was awarded the LEED Platinum Certification;
- The office area of Raycom Property Investment was awarded the WELL Platinum Certification;
- Office Building B of Raycom Info Tech Park was awarded the 3-Stat Certificate of Green Building Label.



SPECIAL TOPIC 2 PRACTICE · PROTECTING OUR BEAUTIFUL PLANET WITH GREEN AND LOW-CARBON BEHAVIORS

Case | Low-carbon products: Levima Advanced Materials focused on green products and leveraged the opportunities of clean technologies

As a domestic leading enterprise in EVA, Levima Advanced Materials is one of the “Global Top 500 New Energy Enterprises” that owns the national-level “green plant”. It is committed to providing relevant raw materials applied in clean energy, such as EVA photovoltaic film materials. Its daily output of EVA photovoltaic film materials is enough for about 96 MW of installed capacity and about 140 million kWh of power generation.

Besides, Levima Advanced Materials endeavors to develop the new material products with an effective emission avoidance when used. Its EOD special surfactant materials can be applied to the efficient concentrated washing products featuring better cleaning performance and smaller size compared with ordinary washing products, reducing the production, packaging, warehousing and transport costs as well as the carbon emission.

In the future, Levima Advanced Materials will continuously launch new energy material projects, including EVA photovoltaic film materials, lithium battery carbonic ester materials, lithium battery membrane materials, and new biodegradable material projects, such as PLA and PPC, empowering the green ecology with low-carbon products.



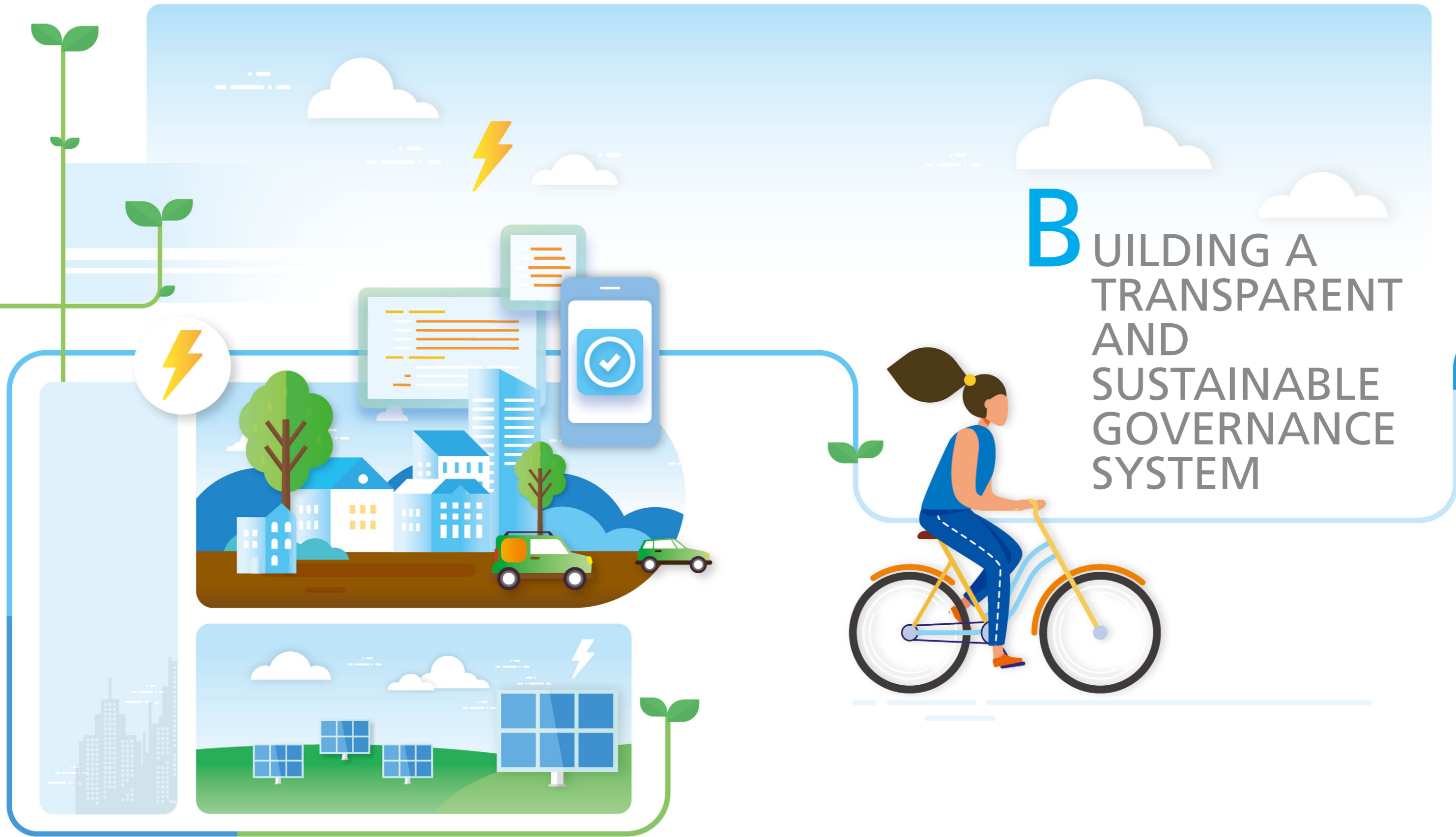
Case | Low-carbon investment: BIL empowers the low-carbon ecology through green investment and financing

BIL actively integrates ESG factors into traditional financial products, develops and provides the financial products in line with the green, low-carbon and sustainable principle and accelerates the flow of funds to sustainable development-related activities, thereby supporting the sustainable transformation of global ecology and society.

The Company pays attention to the relevant requirements of various policies and regulations, including Sustainable Finance Disclosure Regulation (SFDR), Markets in Financial Instruments Directive (MiFID II) and the amended Insurance Distribution Directive (IDD) and provides the sustainable investment solutions meeting the clients' ESG preferences. In April 2022, BIL became the first bank that established a green bond framework in Luxembourg and, on this basis, mainly supported the construction of green buildings in Luxembourg. The supported projects must meet specific requirements, such as procuring an Energy Performance Certificate (EPC) level at least equal to "A" or with Primary Energy Demand (PED) at least 10% lower than the relevant national threshold set for nearly zero-energy building (NZEB) requirements, thereby responding to the sustainable development goals (SDGs) of the United Nations and relevant goals of EU Taxonomy. The framework has been recognized by an external organization, Sustainalytics, as aligning to the Green Bond Principles 2021.

As the end of the Reporting Period, BIL's green, social and sustainable development bonds accounted for 15.8% of its total investment portfolios with the total amount of EUR1.377 billion, increased by 5.3% compared with last year. Wherein, the green bonds accounted for 13.5% and the sustainable bonds accounted for 57%. The Subsidiary carried out an annual environmental impact evaluation on its green bond framework, suggesting that investment portfolios can save the energy with a capacity of 44,499 MWh/year, equivalent to reducing the emission of CO₂ by 12,141 tonnes.





BUILDING A
TRANSPARENT
AND
SUSTAINABLE
GOVERNANCE
SYSTEM

1. BUILDING A TRANSPARENT AND SUSTAINABLE GOVERNANCE SYSTEM

Legend Holdings considers a sound governance system as the cornerstone for our sustainable development. We adhere to the concept of integrity management, strictly abide by the business ethics, establish complete governance structure, implement the comprehensive risk management, continuously improve the corporate governance level and innovative vitality and protect the shareholders' and investors' rights and interests.

Listing of Securities on The Stock Exchange of Hong Kong Limited issued by the Stock Exchange and relevant local laws and regulations of the overseas operating places, sticks to integrity management and compliance operation and enhances its own corporate governance through continuous improvement of management system and rules.

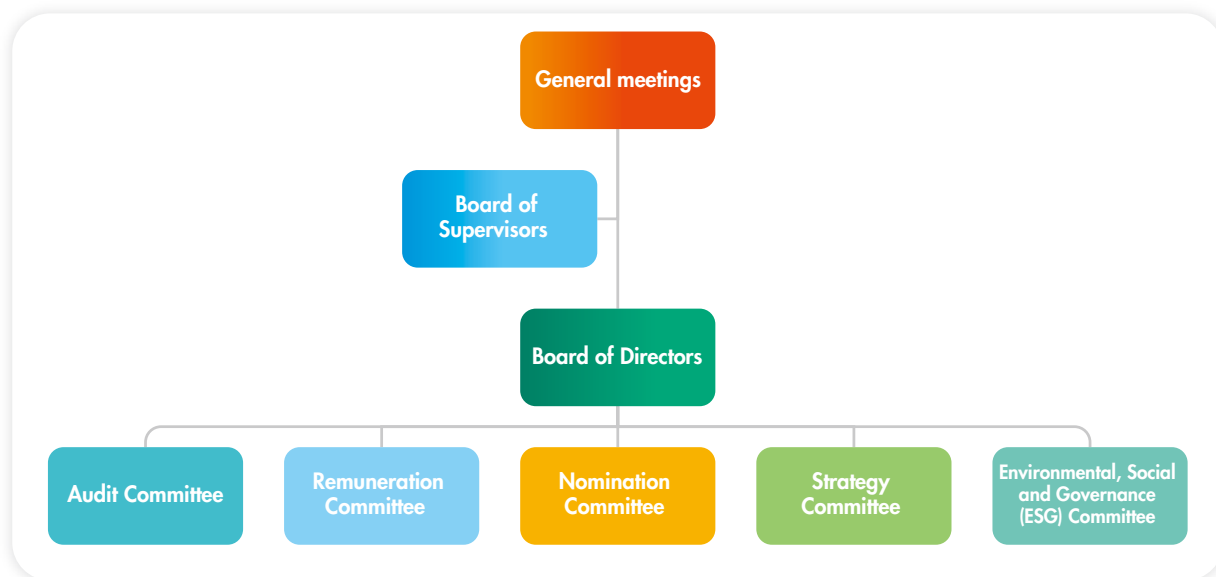
In accordance with the *Articles of Association*, Legend Holdings elects and replaces directors through the general meetings. The directors have a tenure of three years. The Board is responsible for developing and monitoring the development strategies and supervising the effectiveness of the Company's internal control and risk management, ensuring the stable and continuous operation.

CORPORATE GOVERNANCE

Corporate Governance Structure

Legend Holdings strictly abides by the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, Appendix 14 *Codes of Corporate Governance of the Rules Governing the*

Corporate Governance Structure of Legend Holdings



The Company’s Board of Directors has five special committees, including Audit Committee, Remuneration Committee, Nomination Committee, Strategy Committee and Environmental, Social and Governance (ESG) Committee, which are responsible for supervising the Company’s operation and management and other relevant matters from different perspectives.

Responsibilities of Special Committees under the Board of Legend Holdings

Special Committees	Responsibilities
Audit Committee	<ul style="list-style-type: none"> • Audit all businesses of the Company, supervise the authenticity of financial statements and legitimacy of reporting procedures, and ensure the orderly internal control and risk management of the Company. • Two thirds of members are independent non-executive directors.
Remuneration Committee	<ul style="list-style-type: none"> • Conduct researches on and formulate the remuneration policy, performance evaluation and incentive mechanisms for the Company’s directors, supervisors and senior executives and other affairs related to remuneration, and ensure the objectivity and transparency of the decision of directors’ remuneration. • Two thirds of members are independent non-executive directors.
Nomination Committee	<ul style="list-style-type: none"> • Offer advice on the nomination of directors and evaluate the structure, member number and composition of Board of Directors, effectiveness of the member diversity policy and independence of independent non-executive directors. • Two thirds of members are independent non-executive directors.
Strategy Committee	<ul style="list-style-type: none"> • Conduct researches on and review the Company’s middle and long-term development strategies and plans, major investment and financing plans, major capital operation projects, etc.
ESG Committee	<ul style="list-style-type: none"> • Conduct researches on the Company’s ESG vision, strategies and policies, supervise the development and implementation of ESG targets, regularly review the feasibility of the ESG targets based on the report of the ESG Task Force, track the domestic and foreign ESG development trends, identify the Company’s ESG risks and opportunities, report the above work to the Board of Directors and offer appropriate advice. • One fourth of members are independent non-executive directors.

1. BUILDING A TRANSPARENT AND SUSTAINABLE GOVERNANCE SYSTEM

Board Diversity

Legend Holdings adheres to the basic principles of “electing by ability” and “creating value for the Company and shareholders” when deciding on the Board composition and formulates the *Diversity Policy for Board Members* to continuously optimise the Board composition. The Nomination Committee takes into account the Company’s business modes and strategic requirements in evaluating the background of the Board members, including but not limited to the gender, age, cultural and educational background, race, professional experience, skills, knowledge and service term.

The Nomination Committee conducts at least one meeting a year supervising the Board Diversity Policy and its effectiveness and evaluates how well the skills, knowledge and experience of Board members match

the Company’s current operating status, asset size and shareholder structure in order to ensure the balanced and diversified Board composition, improve its review and decision quality and fully fulfill its functions.

In 2022, the Company revised the Board Diversity Policy. The main revised content is about authorizing the Nomination Committee to respond to the expectations of stakeholders, identify and elect proper director candidates by referring to the mandatory requirements and recommended practices of the international and Listing Rules in order to gradually increase the proportion of female directors and promote the gender balance among Board members towards the target of “increasing the number of female members of the Board to at least two gradually by the end of 2030”, and to improve the Company’s governance.

Board Composition and Meetings of Legend Holdings in 2022

Board Composition		
9 directors from the Board	2 executive directors	
	4 non-executive directors	
	3 independent non-executive directors	
	1 female director, accounting for 11.11%	
Meetings		
3 general meetings	4 Board meetings	2 meetings of Board of Supervisors
	7 meetings of special committees under the Board	

Investor Relations and Communication

Legend Holdings respects and safeguards that all shareholders are entitled to exercise their rights as the owners of the Company and protects the legal rights and interests of medium and small shareholders from infringement. The Company has formulated the *Shareholders' Communication Policy* and regularly convenes and holds general meetings, encouraging the shareholders to inquire the current status of the Company and review the major resolutions, safeguarding the shareholders' rights to know the laws and regulations with an impact on the Company's operation and participate in the major matters stipulated in the Articles of Association.

The Company has established an investor relation team, set up the communication channels, including communication telephone, email and official website, and continuously enhanced the communication and interaction with investors through organising performance release conferences and non-transactional road shows and accepting the research of analysts

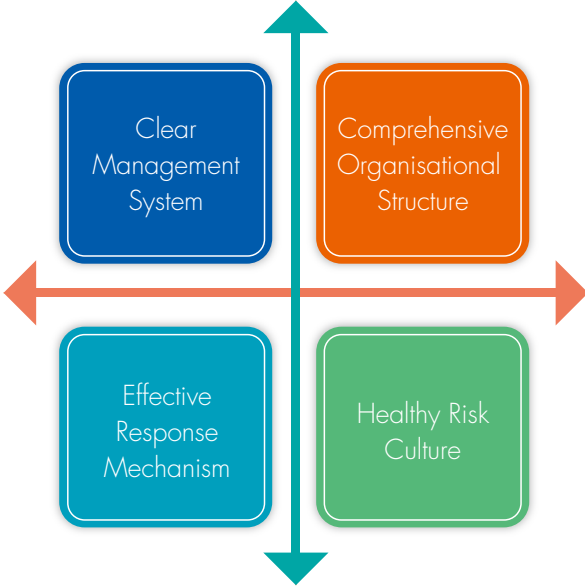
and investors, ensuring that the shareholders and potential investors could receive the Company's messages in time.

In addition, the Company has continuously standardized and enhanced the information disclosure management, formulated the *Information Disclosure Management System* and *Code of Ethics for Employees* to specify the scope, contents, form, internal review process and procedure of information disclosure as well as employees' responsibilities, and organised relevant training for the Company's employees to ensure the standard and effective information disclosure.

Comprehensive Risk Management

Legend Holdings has continuously reinforced the risk management ability and set up the risk management system from four perspectives, namely management system, organisational structure, response mechanism and cultural building, which covers the main business segments of the Legend Holdings headquarters and important management links of supporting segments.

Risk Management System of Legend Holdings



1. BUILDING A TRANSPARENT AND SUSTAINABLE GOVERNANCE SYSTEM

The Company has formulated the *Risk Management and Internal Control System* to specify the overall targets and strategies of risk management and determined the risk preferences and risk tolerance, selected the appropriate risk management tools and reasonably allocated human resources and funds to implement the risk management.

The Company owns a sound risk management organisation structure. The Board is responsible for the overall risk management and internal control, including the evaluation and determination of the tolerable risk nature and degree of the Company during the achievement of strategic targets, and for monitoring and supervision of the overall effectiveness of Company's risk management and internal control system through the Audit Committee. The management is responsible for designing, implementing, and reviewing the risk management framework and system, and reports to the Board of Directors and its Audit

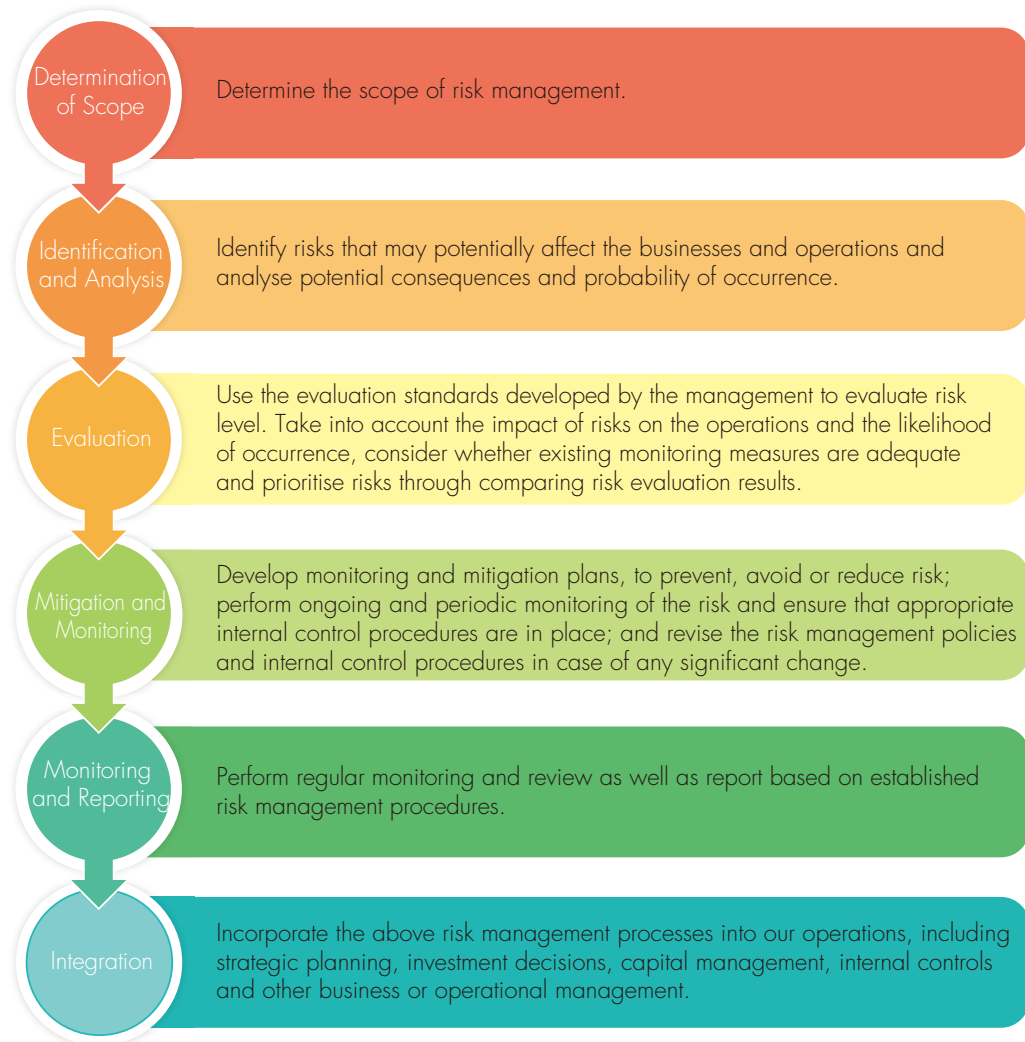
Committee on the effectiveness of the system every six months. Audit Department promotes risk-oriented audit, conducts special reviews on areas of concern to the Audit Committee and Management, and oversees and directs the internal audits of subsidiaries of the Company. Audit Department reports to the Chairman of the Board regularly and to the Audit Committee quarterly, develops rectification and improvement plans with all departments and subsidiaries of the Company for identified issues and deficiencies, and follows up the implementation of the proposals.

As regards to the risk management response mechanism, the Company takes the framework of COSO (Committee of Sponsoring Organizations of the Treadway Commission) as a guide, establishes three lines of defence covering the risk management and internal control of the headquarters and subsidiaries of Legend Holdings and ensures the effectiveness of the risk management by means of risk identification, evaluation and management procedures.

Three Lines of Defence for Risk Management and Internal Monitoring of Legend Holdings and Its Subsidiaries

Defence line	For businesses of the headquarters of Legend Holdings	For businesses of subsidiaries	Duties
1st Line of Defence	Business divisions	Subsidiaries	Integrate risk management concepts and control measures into the daily business processes and undertake specific business risk prevention and control functions.
2nd Line of Defence	Relevant functional departments	Business divisions and relevant functional departments	Organise and promote the risk management activities, identify and supervise risk management and conduct monitoring activities in the course of businesses and operations.
3rd Line of Defence	Audit Department	Audit Department	Monitor and evaluate the effectiveness of risk management and identify areas for improvement.

Risk Identification, Assessment and Management Procedures



The Company reviews the effectiveness of its risk management and internal control systems annually, and discloses the detailed contents of the risk management and internal control of the current year in the *Corporate Governance Report*.

1. BUILDING A TRANSPARENT AND SUSTAINABLE GOVERNANCE SYSTEM

In terms of risk culture building, the Company strives to improve the risk control awareness and analytic ability of all employees. In 2022, Legend Holdings carried out the phased risk management training for subsidiaries, including the compliance and risk management method and financial and taxation services.

Key Risk Management Actions of Legend Holdings' Subsidiaries

Lenovo	Identify all types of business risks through the risk management procedure annually, including ESG risks, evaluate the impact of such risks on the strategy execution and thereby formulate the risk mitigation actions.
Levima Advanced Materials	Organize comprehensive emergency rehearsal, special emergency rehearsal and on-site emergency rehearsal plan annually. Standardize emergency response procedures, clarify responsibilities of emergency response personnel at all levels and continuously improve emergency handling capabilities.
BIL	Disclose the <i>BIL Risk Report Pillar 3</i> and <i>Environmental/Social/Governance Risk Cartography</i> every year, which identify the materiality of different risks and continuously promote the sustainable loan practices and sustainable investments. Concerning financial institutions' credit risks, implement the regular credit monitoring by regularly reviewing the credit policies, procedures, risk preference and reserve amount, and consider ESG factors during the application and evaluation of borrowing companies. The evaluation contents include the degree of negative impact of the loan on environment and other factors.

BUSINESS ETHICS

Mechanism Establishment

Legend Holdings strictly abides by *Anti-Money Laundering Law of the People's Republic of China*, *Anti-Unfair Competition Law of the People's Republic of China*, *Anti-monopoly Law of the People's Republic of China*, *Interim Provisions on Banning Commercial Bribery* and other laws and regulations related to prevention of bribery, fraud, money-laundering and unfair competition applicable to the People's Republic of China and other countries and regions where the Company operates businesses or makes investments. The Company has zero tolerance for any form of bribery and corruption.

The Company has formulated and continuously improved the *Anti-Fraud Management Policy*, the *Code of Ethics for Employees* and other management rules to strictly regulate the relevant behaviors of the staffs of Legend Holdings and its subsidiaries. It strives to gradually improve the systematic management of anti-fraud efforts throughout the process of prevention, control, and accountability before, during, and after an event. The Company also requires its subsidiaries to operate in accordance with the laws and regulations based on ethics and integrity and improve their own anti-fraud work systems to guard against individual corruption behaviors at all levels of the Company.

Business Ethics-related Systems of Subsidiaries of Legend Holdings

Lenovo	<i>Code of Conduct</i> (covering policies related to anti-corruption and anti-bribery, unfair competition, fair competition, etc.)
Levima Advanced Materials	<i>Anti-fraud Management Measures</i>
BIL	<i>Anti-bribery and Corruption Charter, Financial Crime Prevention Regulations, BIL Group Code of Conduct, Code of Ethics</i>

On this basis, Legend Holdings has incorporated attitude and requirements of honest cooperation into daily contract management, and added the *Integrity Cooperation Agreement* and whistle-blowing channels to procurement contracts, explicitly requiring partners to uphold honesty and integrity, and not to seek improper personal benefits through illegal means.

In terms of anti-unfair competition, Legend Holdings is committed to competing in a legit and ethical manner. Lenovo prohibits employees from participating in unfair competitions, including signing agreements or participating in similar discussions with competitors that lead to monopolistic practices such as price cartels, restricting the supply of products or services, or boycotting a certain client or supplier.

Cultural Building

Legend Holdings attaches great importance to the construction of a business ethics culture to ensure that employees adhere to business ethics and have the corresponding competency. All new employees are required to participate in training related to themes such as professional ethics and code of conduct, honesty and integrity and continuously develop stronger integrity awareness through Intranet, antifraud training, and case studies. The Company requests all employees to sign the *Integrity Commitment Letter*.

Subsidiaries carry out business ethics-themed training sessions that are rich in content and of distinct features, covering directors, supervisors, senior leadership, and other relevant employees.

Overview of Business Ethics Training of Subsidiaries of Legend Holdings in 2022

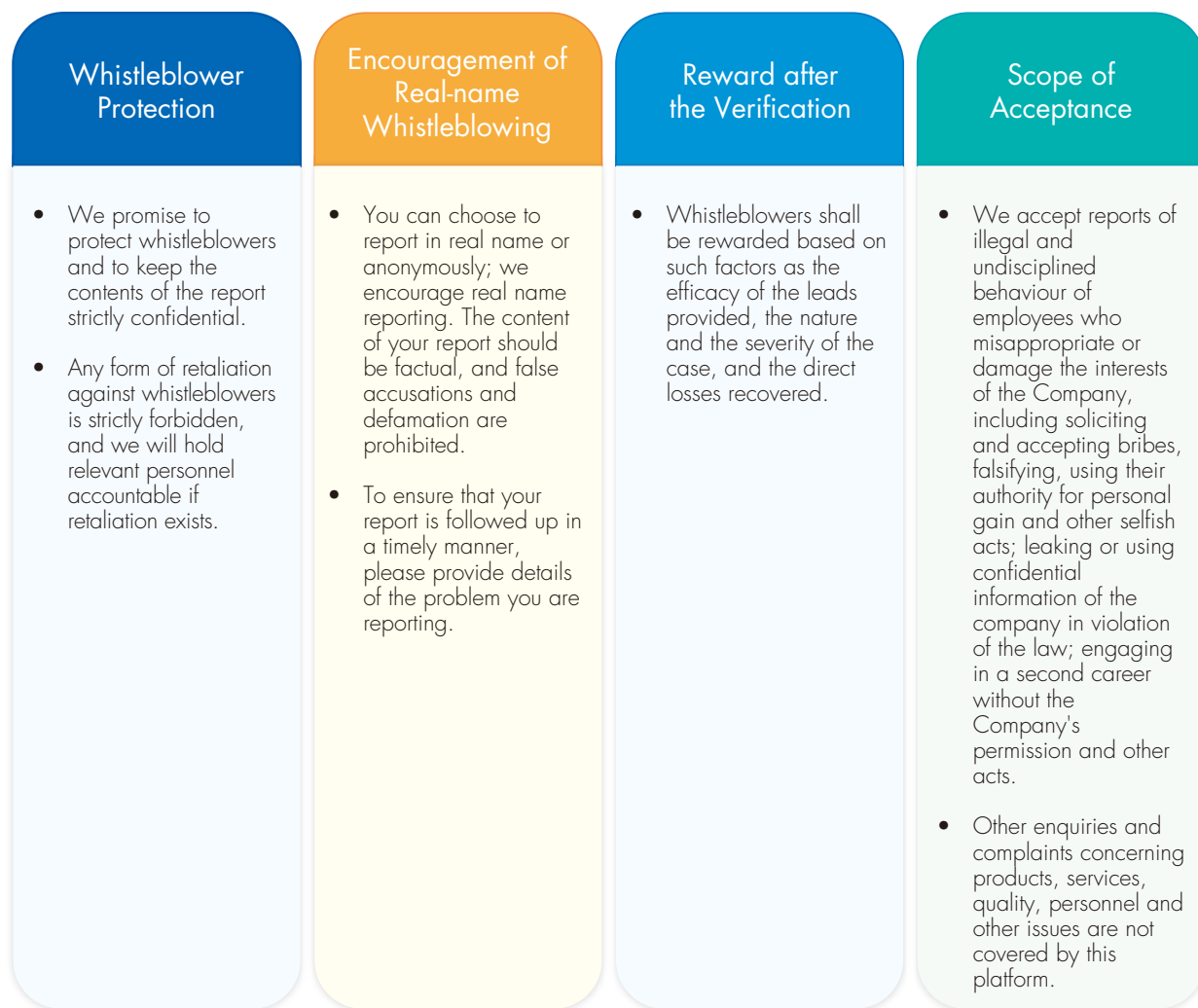
Lenovo	<ul style="list-style-type: none"> Internal system training on Lenovo's <i>Industry Standards</i> were provided to all new employees, and daily training sessions on the requirements and approval processes related to gifts, hospitality and travel policy were conducted. In 2022, interactive online courses on anti-corruption and anti-bribery were carried out, covering over 37,000 employees globally; and over 30 seminars on basic anti-corruption knowledge and anti-corruption case studies were held, covering over 10,000 Chinese employees.
Levima Advanced Materials	<ul style="list-style-type: none"> The "Corporate compliance and integrity and self-discipline" course was launched on its internal online training platform, covering common laws and regulations involved in Levima Advanced Materials' operations and the risk areas related to integrity and self-discipline at work.
BIL	<ul style="list-style-type: none"> Trained directors and employees at all levels hierarchically. All employees must comprehensively understand the regulations of <i>BIL Group Code of Conduct</i> and fulfill their own job responsibilities. Organized training sessions on moral codes and anti-money laundering in 2022 and inaugurated online training courses about morality in the 3rd quarter.

1. BUILDING A TRANSPARENT AND SUSTAINABLE GOVERNANCE SYSTEM

Whistle-blowing Management

Legend Holdings has formulated the *Anti-fraud Management Policy* to specify the whistle-blowing, investigation, and reporting procedures and the whistleblower protection policy. The Company has set up a variety of whistleblowing channels, including email, telephone, official website, official WeChat account and on-the-spot whistleblowing, to encourage employees, clients, suppliers and other third-party entities to report actions that may be in violation of business ethics, laws and regulations, corporate code of conduct or other pertinent policies.

The Company carries out investigation and verification based on the principles of independence, legality and impartiality in respect of reported matters, and deal with irregularities and violations in accordance with relevant regulations. The Company keeps whistleblowers and the content of reports strictly confidential, prohibits any form of retaliation against whistleblowers and related personnel, develops protection measures and establishes accountability mechanisms.



Whistle-blowing Channels of Legend Holdings on Business Ethics Compliance

Whistle-blowing email: AF@legendholdings.com.cn

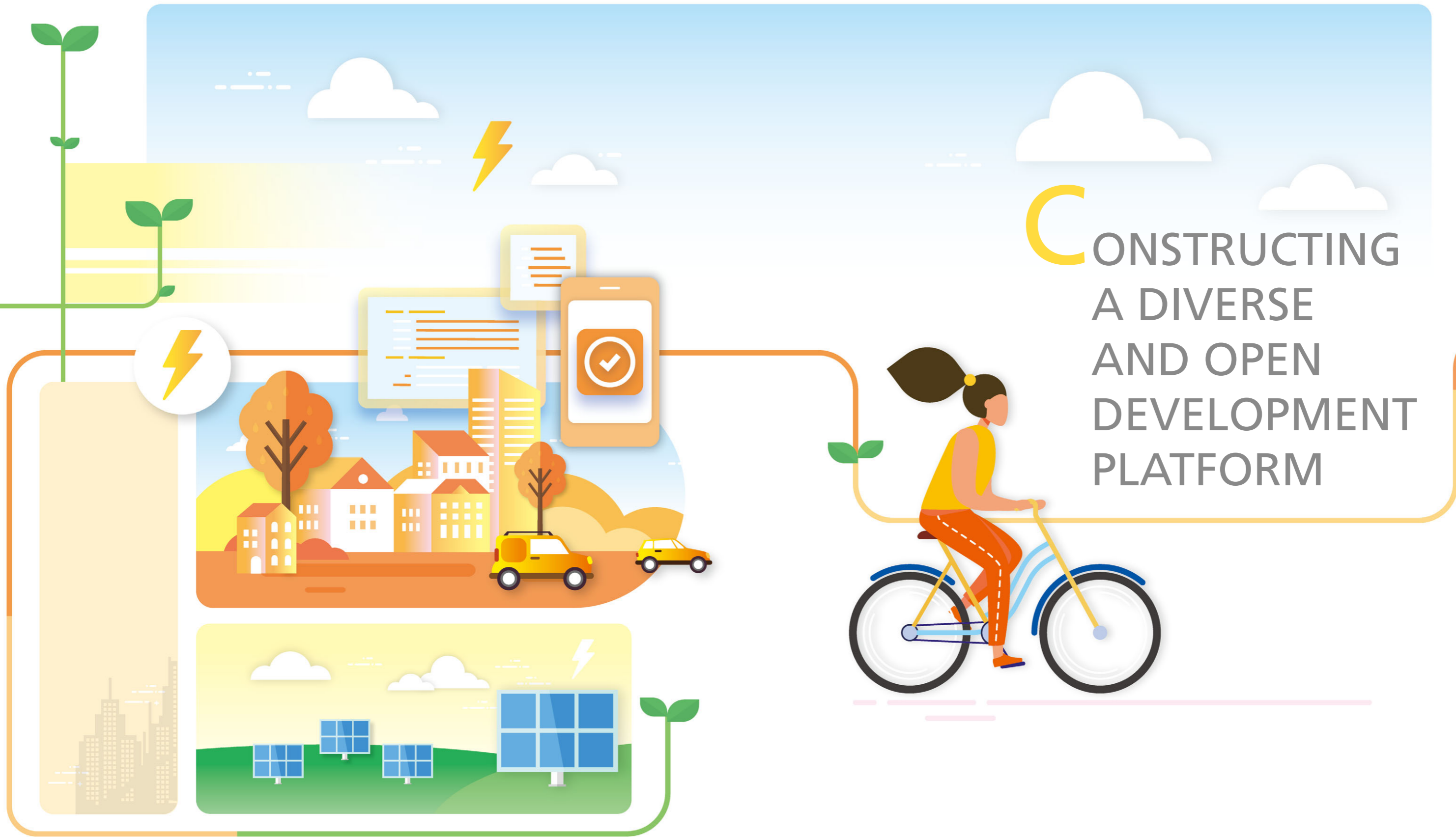
Whistle-blowing telephone: 010-62508756

Whistle-blowing platform: <https://integrity.legendholdings.com.cn/frontend/web/report/index>

Official WeChat account for whistle-blowing:
official WeChat account of Legend Holdings (LEGEND_HOLDINGS) – Integrity Platform

No violation of laws and regulations related to corruption, bribery, conflict of interest, fraud, money laundering, and unfair competition occurred at Legend Holdings, Levima Advanced Materials, or Raycom during the Reporting Period. Apart from the cases mentioned in its annual report, BIL was not involved

in any of above-mentioned major lawsuits. Lenovo had an adjudicated bribery case and Lenovo had terminated its employment of the personnel involved. The case had a minor impact on the business of Lenovo, and the details were provided in *Lenovo 2021/22 Environmental, Social, and Governance Report*.



C ONSTRUCTING
A DIVERSE
AND OPEN
DEVELOPMENT
PLATFORM

2. CONSTRUCTING A DIVERSE AND OPEN DEVELOPMENT PLATFORM

Legend Holdings sticks to the people-centric value, stresses the mutual commitment with employees, and incorporates employees' pursuits into the Company's long-term development. The Company safeguards the rights, interests and benefits of employees, supports their development, and shares the bountiful fruits of value growth with them, striving to turn the commitment into a joint undertaking.

EMPLOYEE RIGHTS AND BENEFITS

Recruitment and Employment

Legend Holdings sticks to fairness and equality in recruitment and employment, strictly abides by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*,

the *Social Insurance Law of the People's Republic of China*, and local labor-related laws and regulations in overseas markets, respects and protects human rights, complies with international conventions and labor standards, regulates contract employment, and ensures that all employees have signed labor contracts and their social security contribution paid. The Company has formulated internal rules and regulations such as the *Employee Handbook*, the *Code of Conduct* and the *Code of Ethics for Employees*.

We ensure that no child labor or forced labor is used through strict screening and routine supervision and management, respect the political rights and religious beliefs of employees, and resolutely avoid discrimination against any employee or job applicant due to differences in race, religion, gender, age, marital status, disability, nationality, etc. to provide equal opportunities for each employee or applicant.

R&E-related Rights and Interests of Employees of Legend Holdings

Remuneration and Dismissal

- **Remuneration:** according to the *Remuneration Management Measures*, the Company adopts a post pay and target bonus system, and the annual performance bonus of employees is linked to factors such as performance.
- **Dismissal:** proceed in accordance with the termination procedures in the *Termination Management System*; understand why employees decide to leave and their suggestions for departments or the Company; cooperate in case of background checks for on-boarding and file transfers of employees applying for new jobs, and provide support for their efforts in finding a new job, and take advantage of headhunters and subsidiaries when necessary.

Working Hours and Leave

- **Working hours:** according to the *Attendance and Vacation Management Regulations*, standard working hours for employees are set at 40 hours per week and flexible working is allowed.
- **Leave:** paid annual leaves paid sick leave and Spring Festival welfare leave are provided; as well as state-mandated maternity leave for women, and sick leave, marital leave, bereavement leave, breastfeeding leave, etc. in accordance with local regulations.

Human Resource Management System of Subsidiaries of Legend Holdings (Part)

Lenovo	<i>Human Rights Policy, and Code of Conduct</i>
Levima Advanced Materials	<i>Labor Contract Management Measures, Recruitment and Employment Management Measures, and Vacation Management Measures</i>
Raycom	<i>Labor Relation Management System, Attendance and Vacation Management Measures, Remuneration Management Measures, and Welfare Management Measures</i>
BIL	<i>BIL Group Code of Conduct, Ethics and Sexual Harassment Policy, Diversity Charter and Procedure – Health And Safety</i>

Legend Holdings has established a mechanism for employee complaints and protection of complainants. In case of any infringement of employees' basic rights and interests, they can lodge a complaint or report through internal channels, the Company conducts an investigation of the complaint according to due process.

During the Reporting Period, there was no case of illegal employment of child labor or forced labor at Legend Holdings, nor any violation or complaint regarding employment and equal opportunities, diversity and anti-discrimination, remuneration and promotion, working hours and vacations, or other labor standards.

Lenovo: actively carrying out human right protection actions

Lenovo conducts business in accordance with the U.N. *Universal Declaration of Human Rights* and the principles of the United Nations Global Compact (UNGCC), and strictly abides by the internal *Human Rights Policy* to protect the human rights of employees. On this basis, Lenovo is committed to building human right protection mechanisms such as due diligence across the entire value chain, training covering all operations, and complaint accountability, and achieving the goal of 100% completion of global anti-harassment training.

Lenovo complies with international labor-related standards in operations and protects the human rights of employees. No child labor or forced labor has been found in factories. During the Reporting Period, all production bases of Lenovo and joint ventures (excluding new sites whose labor data spans less than one year) were audited by independent auditors against the latest version of RBA standards of the International Labor Organisation (ILO).

2. CONSTRUCTING A DIVERSE AND OPEN DEVELOPMENT PLATFORM

Employee Communication

Legend Holdings attaches importance to listening to the aspirations of employees, and building communication channels and maintaining relationships with them. The Company has carried out smooth and continuous communication and exchanges with all employees through such channels and means as routine communication, new employee orientations, engagement and satisfaction surveys, in-depth

interviews and training sessions, and the “Progress email” column.

In addition, all subsidiaries also fully guarantee employees’ rights to know and to participate through face-to-face communications between senior executives and grassroots employees, quarterly departmental communication meetings, etc., where important notices are announced and opinions and suggestions of employees in routine work are learnt.

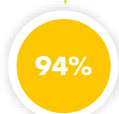
Lenovo: continuing to conduct the “Lenovo Listens” employee engagement survey

Employee feedback is one of the best indicators of the results of our communication actions. Through the annual “Lenovo Listens” employee engagement survey, Lenovo gets a better understanding of employees across the globe, assesses their feelings, and collects their feedback on Lenovo performance to encourage Lenovo to strive to create a fairer and inclusive work environment.

The results of this year’s survey show that indicators such as overall employee participation rate, engagement, and confidence for the future have reached record highs. In addition, Lenovo’s industry-leading indicators, namely business ethic conduct, and fair and equal treatment, have remained at high levels, reflecting the team’s good business ethics, excellent collaboration capability, and the fact that it has earned the trust and support of employees.

FY 2021/22 Lenovo Listens Highlights

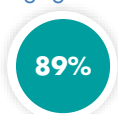
Participation



(+2% YoY)

Largest number of employees invited to date - 35K, including Direct Labor

Engagement



(+13% YoY)

All time high score

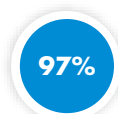
Future Confidence



(+10% YoY)

All time high score

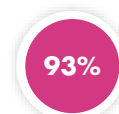
Ethics



Ethical Business Practices

12 points above market benchmarks

D&I



Fair and Equal treatment

14 points above market benchmarks

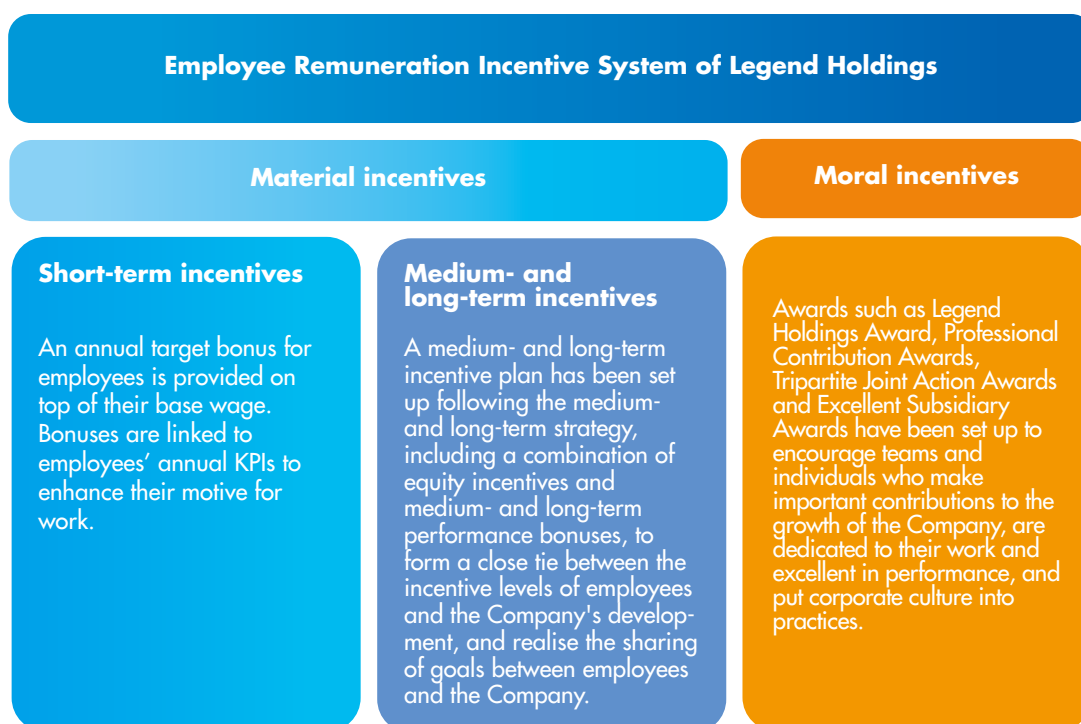
* This data includes regular employees only.

2. CONSTRUCTING A DIVERSE AND OPEN DEVELOPMENT PLATFORM

Statutory welfare	Supplementary benefits of the Company
Maternity insurance	<ul style="list-style-type: none"> • Condolences for birthdays, holidays, weddings, funerals and childbirth • Flexible working hours • Seasonal tea, first-aid kits, fitness equipment, and gym • Nursing room and lunch break room • Corporate team building, festival celebrations, and birthday parties • Single employee socialising, employee family day, and other activities
Housing provident fund	

The employee remuneration incentive system of Legend Holdings combines short-term incentives with medium- and long-term incentives, and underlines both material and moral incentives. The Company

regularly benchmarks itself against comparable market benchmark companies that match multiple dimensions including company size, nature of business, stage of development and level of business returns to ensure remuneration setting is in line with business characteristics.



With regard to providing help and support to employees, Legend Holdings issued the *Subsidy Measures for Employees in Difficulties*. The Company provides financial aid to address the urgent needs of

employees in case the employees themselves or their immediate members have critical illnesses, or their families are in serious difficulty due to natural disasters, accidents, and other special causes.

Actions our Subsidiaries to Show Regards and Sympathy and to Offer Help and Support

<p>Levima Advanced Materials</p>	<p>Set up “Levima Foundation” to provide help in accordance with the principle of “mechanism-based support in case of ordinary difficulties, timely support in case of sudden difficulties, and prioritized support in case of severe difficulties”.</p> <p>Two main types of employees to be helped: those whose family living standards are below the local poverty line due to sudden illness, accidental trauma, family accidents, force majeure-caused catastrophes or accidents; and those whose immediate family members can hardly continue their study due to financial difficulties (they live below the local poverty line).</p>
<p>BIL</p>	<p>Set up the Solidarity Leave plan for employees in need, which encouraged other employees to donate their time off to their colleagues who need it, and improved the infrastructure, e.g., the signs of the company’s parking lots for the benefit of employees with disabilities, such as those with color blindness (e.g., changing red and green signs), which facilitates the secure travel of employees.</p>

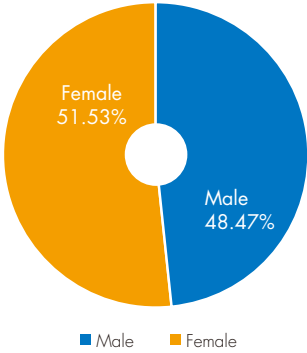
DIVERSITY AND EQUAL OPPORTUNITY

Legend Holdings attaches great importance to workforce diversity, believes that it is conducive to fostering teamwork and trust among employees, and pushes employees to think and work from more perspectives. The Company actively recruits employees with different backgrounds, and insists on selecting excellent professional and management talents from local areas first to enhance the Company’s localization

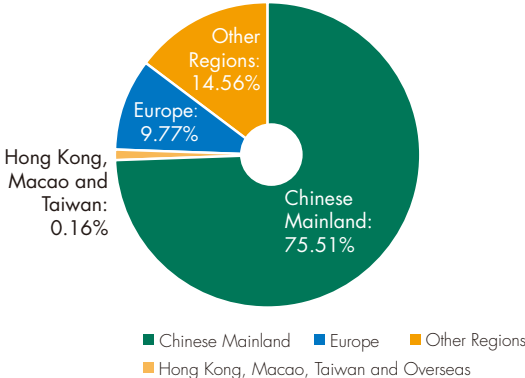
in global operations. Meanwhile, the Company adheres to equal pay for equal work between male and female employees, strives to create a diverse and inclusive work environment and atmosphere, and shares the concept of workforce diversity with stakeholders and partners.

As at December 31, 2022, the total number of Legend Holdings and its subsidiaries (excluding Lenovo) was 19,336. Details of employees by gender and region are shown in the chart below.

Ratio categorised by gender



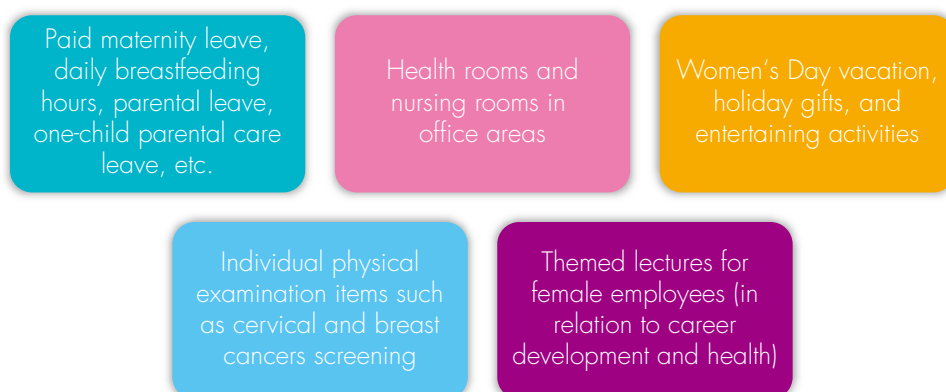
Ratio categorised by region



2. CONSTRUCTING A DIVERSE AND OPEN DEVELOPMENT PLATFORM

Legend Holdings complies with the *Special Rules on the Labor Protection of Female Employees* to safeguard and support the rights and interests of female employees. Levima Advanced Materials has signed the *Agreement on Protecting the Special Rights and Interests of Female Employees* with the Company's Labor Union to strictly implement labor protection, medical treatment, and other benefits for female employees during pregnancy, maternity leave, and lactation.

Measures of Legend Holdings for the Protection of the Rights of Female Employees



BIL formulates the *Diversity Charter* which specified the diversity policies, and actively carries out the diversity training and other relevant activities. BIL's employees come from 44 countries or regions, including multi-gender groups. BIL respects and celebrates employees' ethnic festivals, focuses on such issues like the gender equality and organizes relative training programs for employees, creating an inclusive working atmosphere and improving the working experience of employees with different backgrounds.

Lenovo pays attention to the career development of diverse talents and has formulated an internal plan for talent retention and diverse top talent training. The plan includes three key segments. The talent acquisition (TA) team of Lenovo makes sure to provide a list of diverse candidates and fair interviews to the recruitment manager; management training projects for senior executives and directors from different backgrounds are carried out; and an annual pay equity review is conducted to ensure income equity for employees of all genders and those from vulnerable and minority groups.

Lenovo's Workforce Diversity Goals and External Recognition

Objective: By 2025, further increase the proportion of female executives worldwide (from 21% to 27%), as well as the proportion of executives from ethnic minority groups in America (increasing the proportion of American executives from historically disadvantaged ethnic/racial groups to 35% from 25%).

External recognition:

- Rated among the Best Places to Work for LGBTQ+ Equality 2022 by the Human Rights Campaign Foundation
- Bloomberg 2022 Gender-Equality Index (GEI) Company

OCCUPATIONAL HEALTH AND SAFETY

Occupational Health and Safety Management System

Legend Holdings strictly complies with the *Production Safety Law of the People’s Republic of China*, the *Law of the People’s Republic of China on Prevention and Control of Occupational Diseases*, and relevant overseas local laws and regulations, and conducts

occupational health management focusing on such three areas as occupational disease risk identification, prevention, physical health, and mental health. In 2022, the global manufacturing bases of Lenovo and the production bases of Levima Advanced Materials were ISO 45001: 2018 Occupational Health and Safety (OHS) certified, and were within the validity period of the certification.

During the Reporting Period, there were no safety accidents such as fire, explosion, chemical poisoning, occupational disease or injuries at Legend Holdings, and there was no work-related fatality.

Key Health Management Actions of Legend Holdings and Its Subsidiaries

Occupational Disease Risk Identification and Prevention	<ul style="list-style-type: none"> Legend Holdings identifies potential risks and hazards in operations through standard management procedures, which are used as bases for regular monitoring and daily monitoring of occupational disease hazards, creating health monitoring files for employees, implementing recommendations for handling occupational health physical examination reports, and organising regular occupational disease prevention publicity and education campaigns and training sessions. Levima Advanced Materials has formulated and implemented such occupational disease prevention and control systems as the <i>Three Simultaneities System for Construction Projects</i>, the <i>Occupational Hazard Inspection and Evaluation Management System</i> and the <i>Occupational Health Monitoring and Filing System</i>, and provides employees with articles for labor protection according to laws and regulations and guidance on how to use them correctly; identifies and updates relevant occupational disease risk factors in a timely manner, and has made continuous efforts to push forward occupational disease risk monitoring and prevention.
Physical Health	<ul style="list-style-type: none"> Legend Holdings and its subsidiaries have established their own health service systems. The measures carried out by Legend Holdings include a series of medical protection such as green channels for medical consultation, disease consultation and occasional health-themed activities, all of which have been incorporated into the above-mentioned company’s supplementary welfare system. Raycom has installed AED facilities in its property service areas.

2. CONSTRUCTING A DIVERSE AND OPEN DEVELOPMENT PLATFORM

Mental Health

- Legend Holdings attends to the mental health of its employees and holds occasional seminars on psychological knowledge.
- Levima Advanced Materials has continuously optimized the employee health service care system, conducted mental health counseling for employees and improved the employee mental health service.
- BIL set up the “People Care” team and established prevention and management processes for mental health problems to anonymously communicate with in-service employees and accompany employees during major incidents (e.g. death and suicide). During the COVID-19, the “People Care” team continuously followed up employees and their family members affected by COVID-19 and provided the consulting services to mitigate their psychological burdens.

Safe and Healthy Production and Office Work

Legend Holdings is committed to creating healthy and safe office and production environments for employees. In the investment, management, finance, and property management-related businesses of Legend Holdings, BIL and Raycom, occupational health factors in the office environment are mainly considered. As Lenovo and Levima Advanced Materials have manufacturing businesses related to electronics, telecommunications equipment, and chemical materials, attention has to be paid to the safety and health status of employees in the production process in addition to those working in offices.

With regard to the healthy office work, the Company has made a continuous effort to strengthen the management of administrative processes and to optimise health facilities and services in office areas. Legend Holdings, Raycom and BIL constantly monitor the health index of the office environment, increase the number of air purifiers and greenery for office areas, scientifically upgrade the tables and chairs used by employees, and provide afternoon tea, indoor activity space, and exercise equipment to create a healthy and comfortable office environment for employees.

In terms of production safety, the Company has set up production safety management systems based on operational needs. Levima Advanced Materials carries out informatisation of production safety work

and training programs in this regard. On-site risk identification and confirmation are improved with information equipment to realise real-time warning of potential hazards and closed-loop management. Production safety training sessions, exams, and routine safety and health training sessions covering all employees are conducted. During the Reporting Period, the Subsidiary issued the management method for morning meetings, conducted more than 4,000 safety morning meetings for work teams, carried out safety training sessions covering 5,308 staff, completed training for 117 people on special operations and achieved a 100% certification rate for special operators and safety management personnel.

Lenovo has established the OHS Management System to continuously create a safe and healthy work environment for employees. The OHS Management System observes the world’s highest workplace safety standards, pushes all production sites worldwide to obtain certifications of ISO 9001 (Quality), ISO 14001 (Environmental), and ISO 45001 (Occupational Health and Safety), and ensures the validity of the certifications in 2022. In addition, the OHS Management System requires all certified factories to conduct management by objectives and integrate health and safety plans into the entire global production and manufacturing activities of the Company, which can be implemented throughout the process covering planning, education, prevention, control, performance evaluation, and continuous improvement.



OHS Management Process of Lenovo

In terms of emergency support, Legend Holdings and Raycom has formulated the *Emergency Plan Manual* to standardise management criteria for operation and maintenance. Legend Holdings has distributed emergency supply containers to all employees as important material support for emergency rescue and response to ensure the safety of employees.

All BIL employees were automatically signed up to Luxembourg Air Rescue (LAR), a non-governmental organization. When necessary, LAR provided the professional rescue and support, including repatriation by air. Besides, BIL carried out multi-level safety education programs that covered the Caisse Centrale, branches and all employees. During the Reporting Period, BIL built the new emergency passages, updated the evacuation plans and organized a series of activities, e.g., reasonable re-arrangement of the first-aid equipment such as extinguishers, improving the construction of the internal emergency evacuation system.

Levima Advanced Materials has set up a number of work safety management rules, including the *Provisions on Potential Hazard Identification and Management*, the *Provisions on Safety Management of Special Operations*, and the *Emergency Response Plan for Work Safety Accidents*, further improving the production safety management system and the long-term mechanism for identification and management of potential hazards to production safety, and strengthening the ability to deal with emergencies. During the Reporting Period, Levima Advanced Materials conducted over 500 occupational health and safety emergency drills at all categories.



Field Emergency Drill of Levima Advanced Materials

2. CONSTRUCTING A DIVERSE AND OPEN DEVELOPMENT PLATFORM

In terms of COVID-19 prevention and control, Legend Holdings has carried out pandemic prevention publicity campaigns and implemented measures to ensure the safety of employees. The Company had anti-pandemic and disinfection supplies always standby in the office area, and office disinfection plans were adjusted dynamically as the pandemic situation changes. Internal pandemic prevention-related data were collected and reported timely as requested by government departments, higher-level units, property management of the buildings, etc. During the Reporting Period, the Company organised and conducted an employee health salon under the theme of "Reshaping the Health Pattern amid COVID-19".

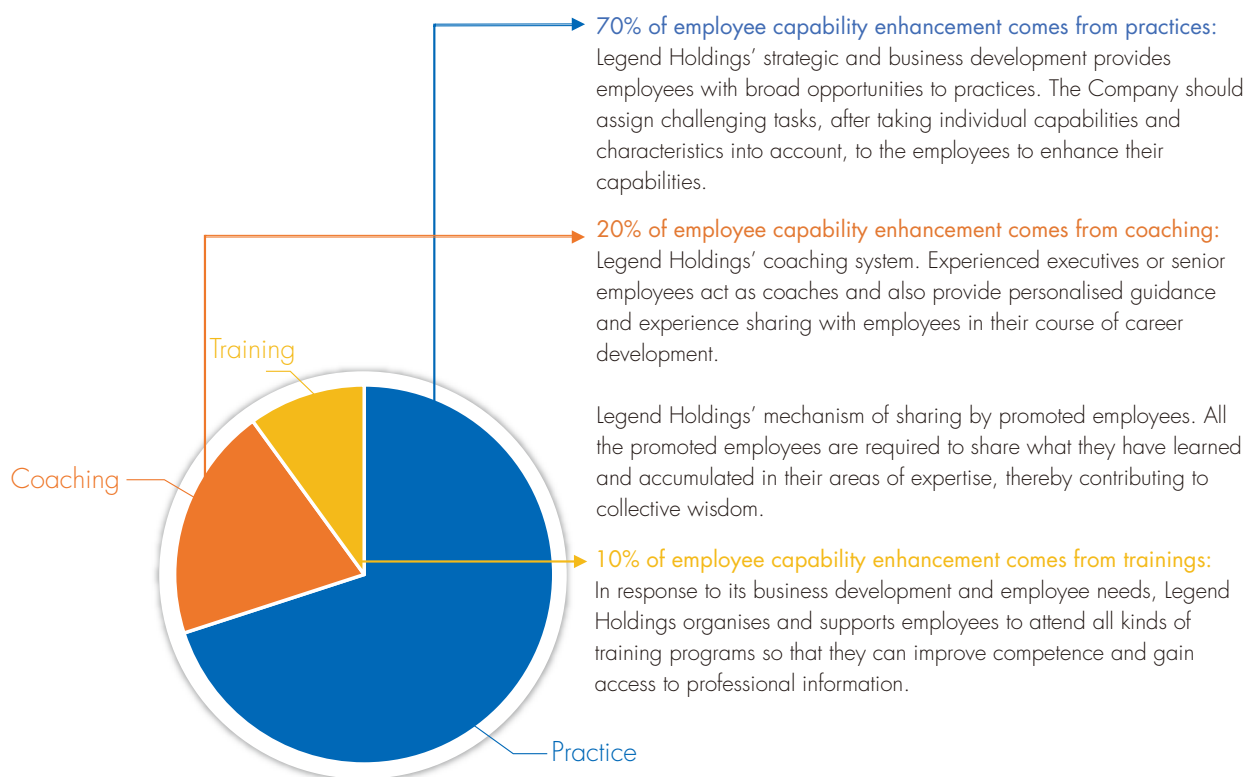
EMPLOYEE TRAINING AND DEVELOPMENT

Talent Development System

Convinced that talent is the most valuable asset of the Company, Legend Holdings pays close attention to the construction of a talent development system to ensure talent promotion channels efficient, provides abundant training and learning resources for employees, and continuously injects fresh blood for the stable development of the Company.

Legend Holdings has constructed the all-round talent development system according to the "7-2-1" principle and facilitates the growth of talents through a variety of methods for capability improvement, including actual practices, mentoring by senior personnel, and thematic training.

"7-2-1" Principle for Talent Development System of Legend Holdings



Legend Holdings founded Legend Management Institute to keep sharing the corporate culture, operation philosophy, and management experience with subsidiaries and other investee companies. All Subsidiaries learn and draw on the Company’s experience, combine it with the development history and distinctive cultural concepts of their own, and pass on to employees at training sessions to help them understand the Company, and enhance their sense of work value.

Talent Assessment and Promotion

Legend Holdings continues to perfect the career development paths of employees and promote the construction of a diverse talent echelon to help employees improve their personal capabilities based on their own strengths and weaknesses, achieve leaps, and integrate their personal growth into the long-term development of the Company.

In 2022, Legend Holdings upgraded and released the *Performance Appraisal System of Legend Holdings Co., Ltd. (2022 Version)*. According to the new system, employees are evaluated on their annual performance based on performance evaluation, potential evaluation, and cultural assessment. Performance evaluation assesses the employee’s achievement results for the year, potential evaluation assesses the employee’s expected performance achievement in the future, and cultural assessment is a “veto” for behaviors that touch the bottom line of the company’s culture.

Key Measures for Talent Assessment and Promotion of Legend Holdings and Its Subsidiaries

<p>Establish and improve career development paths</p>	<ul style="list-style-type: none"> • Dual career development paths for management and technical directions are set up vertically according to the types of responsibilities, and multiple lateral forms such as job transferring and internal post filling through competitive selection are available to offer assistance to employees in changing career paths. Legend Holdings, Raycom, and BIL focus on the cultivation of professional managers. Lenovo and Levima Advanced Materials vigorously seek production and technical talents in addition to cultivating management talents.
<p>Perfect performance evaluation and feedback mechanisms</p>	<ul style="list-style-type: none"> • Lenovo has established employee performance ratings and Individual Performance Management (IPM) to help employees learn about their performance levels and make it clear to the Company about their positioning. • BIL established the performance and promotion evaluation mechanism characterized by level-by-level review and feedback. The specific procedure is as follows: submit the list of recommended employees based on feedback elaborated by direct managers and hierarchy (regular check-ins and year-end appraisals), as well as functional managers, if the case, and peers. Then the “HR Review” conference organized by the business line head, management group and HR Business Partner (PCC) to re-check the list. With all steps mentioned done, the yearly Promotion Board will review all candidates again (the promotion of senior managers to the top ranks shall be verified by the company’s Executive Committee) and determine the final promotion list. In addition, BIL support the irregular promotion of special talent each year.
<p>Regular talent review</p>	<ul style="list-style-type: none"> • Legend Holdings conducts regular reviews of employees by quantity, qualification and composition, evaluates their capabilities by performance and potential, discusses key issues in the talent management, sets down the Company’s subsequent talent development strategy, and facilitates employees in completing their career planning.

2. CONSTRUCTING A DIVERSE AND OPEN DEVELOPMENT PLATFORM

Talent Training

Legend Holdings has established an internal training system based on the Company's development and the needs of employees at different levels for capability improvement to better match with their professional work. All subsidiaries provide diverse training and learning opportunities for employees based on business needs.

Talent Training System of Legend Holdings

Training of senior leadership

- In response to the Company's major business decision-making needs: hold regular meetings of decision makers to discuss and communicate on the Company's key businesses.
- In response to the Company's development and senior management training needs: invite external experts to carry out training sessions on national macro situation and policies.

Training of mid-level and primary employees

- In response to the professionalism and general skill improvement needs of all mid-level and primary employees: hold sessions for sharing cutting-edge information in the industry and skill training sessions from time to time.
- In response to the business capability enhancement needs of employees of all departments: carry out various types of intradepartmental training sessions on expertise.
- In response to new employees' needs to adapt to the work scenario: carry out orientations and corporate cultural literacy trainings.

Core Talent Training Programs of Subsidiaries of Legend Holdings

Lenovo	<ul style="list-style-type: none"> Lenovo provides a range of leadership programs for management employees to enhance their leadership, including the Executive Director Advancement Program (EDAP), the Executive Post Workshop (EPW), the Director Leadership Enhancement Program (DLEP), the Manager Leadership Enhancement Program (MLEP), and the Women’s Leadership Development Program (WLDP).
BIL	<ul style="list-style-type: none"> BIL continuously carries out the themed training activities online and offline covering all employees, improving the employees’ personal ability and management level. The training contents include leadership, growth mindset, health, safety, organization management and personal support.
Levima Advanced Materials	<ul style="list-style-type: none"> Levima Advanced Materials connects three paths dedicated to general skill training, professional and technical training, and special training for improvement in the lines of business; lays emphasis on the summarisation and sharing of experience of professional technical personnel, who are encouraged to give internal lessons and write papers; and underlines result transformation and the resolution of practical problems, for which an “offline + online” hybrid learning method is adopted to teach lessons, analyse cases, simulate scenes, and review the results of practices.

Lenovo: setting up Grow@Lenovo, a global learning management system, for employee development and growth

Lenovo’s global learning management system, Grow@Lenovo, offers abundant online learning resources to all employees throughout the year, as well as offline mentor-guided courses and forums for professional development. Employees can have access to courses on intelligent transformation on Grow@Lenovo anytime and anywhere.

Grow@Lenovo is a strategic resource for the continuous skill improvement and engagement of employees, covering key information and skills required for Lenovo’s leadership training. There are over 72,000 training documents in the system for the knowledge and skill upgrading of employees, which include e-books, audio books, video courses, preparatory courses for obtaining certificates, and online and instructor-guided training. Externally developed contents are intended for the training of professional and technical skills, including specialised contents for sales, products, and process training. The powerful functions of Grow@Lenovo have been fully demonstrated during the first full Reporting Period since its launch, which would be improved and enhanced continuously.



PROTECTING THE
FAVORABLE
ENVIRONMENT
OF LUSH
MOUNTAINS AND
LUCID WATERS



3. PROTECTING THE FAVORABLE ENVIRONMENT OF LUSH MOUNTAINS AND LUCID WATERS

Legend Holdings firmly upholds the concept that “lucid waters and lush mountains are invaluable assets”, actively responds to the guidelines and requirements of policies and plans such as *Comprehensive Work Plan for Energy Conservation and Emission Reduction during the 14th Five-Year Plan Period*, *14th Five-year Plan for Circular Economy Development*, and *Plan for the Green Development of Industrial Sectors during the 14th Five-Year Plan Period*, works together with subsidiaries to thoroughly implement the sustainable development strategy, and promotes harmonious coexistence between man and nature through establishing a sound environmental management system, and carrying out active and effective actions for energy conservation, emission reduction, resource management, emissions and waste management, etc., contributing to the Beautiful China Initiative and the sustainability of the beautiful planet.

ENVIRONMENTAL MANAGEMENT SYSTEM

Legend Holdings builds the environmental management system and ensures the effective operation thereof in strict compliance with the requirements of the *Environmental Protection Law of the People’s Republic of China*, the *Environmental Protection Tax Law of the People’s Republic of China*, the *Law of the People’s Republic of China on Environmental Impact Assessment*, and local laws, regulations, and policies in regions where the Company operates.

Legend Holdings and its subsidiaries formulate corresponding environmental management policies based on their own business characteristics and potential environmental impact factors to effectively guide the environmental management.

Environmental Management Systems of Legend Holdings and Its Subsidiaries

Environmental Management Policies	Environmental Management Priorities	System Certification
Legend Holdings	<ul style="list-style-type: none"> • <i>Manual of Legend Holdings for Standardised Office Environment Operation and Maintenance</i> • <i>Manual of Collected Emergency Plans of Legend Holdings</i> • <i>Standard of Legend Holdings for Comprehensive Inspection of Office Areas, etc.</i> 	<ul style="list-style-type: none"> • Standardised management of environmental operation and maintenance, comprehensive inspection, emergency response, etc. in office areas <p>Non-manufacturing enterprise, no system certification carried out</p>
Lenovo	<ul style="list-style-type: none"> • <i>Group Policy #5 – Environmental Affairs</i> 	<ul style="list-style-type: none"> • Environmental management of the whole process covering product design, development, and production and manufacturing in accordance with the global Environmental Management System (EMS) • Annual assessment of important environmental factors • Inclusion of environmental indicators, environmental policies, compliance requirements, and other factors into the performance evaluation system <p>As of the end of the Reporting Period, the environmental management systems of all self-owned factories have been certified to meet the requirements of ISO 14001:2015 and have obtained corresponding certificates</p>

	Environmental Management Policies	Environmental Management Priorities	System Certification
Raycom	<ul style="list-style-type: none"> • <i>Hazardous Waste Management Process</i> • <i>Construction Waste Operation Process</i> • <i>Food Waste Operation Process</i> • <i>Waste Separation Management System</i> • <i>Recyclables Management Process</i> 	<ul style="list-style-type: none"> • Separating household waste and recycling where possible • Targeted collection, transfer and external disposal of hazardous waste, construction waste and food waste 	Non-manufacturing enterprise, no system certification carried out
Levima Advanced Materials	<ul style="list-style-type: none"> • <i>Environmental Protection Management</i> • <i>Energy Management Measures</i> 	<ul style="list-style-type: none"> • Adherence to the environmental policy of “realising green, sustainable, and excellent development with environmental protection as the first priority” • Implementation of energy conservation and emission reduction measures in combination with energy consumption and emission targets • Zero environmental pollution accident 	As of the end of the Reporting Period, the environmental management system of Levima Advanced Materials has been certified to meet the requirements of GB/T 24001-2016/ISO 14001:2015 ¹ and has obtained the corresponding certificate
BIL	<ul style="list-style-type: none"> • ESG Integration Framework • Sustainable Strategy • Sustainable Risk Policy 	<ul style="list-style-type: none"> • Identify, evaluate and manage the physical and transform-related environmental risks • Reduce environmental footprints and paper consumption 	The social responsibility management system (including environmental management) of the BIL’s headquarters and all Luxembourg-based subsidiaries were awarded the label ENTREPRISE RESPONSABLE (ESR)

¹ Certified locations include Levima Advanced Materials, Levima (Jiangsu) Advanced Materials Research Institute Co., Ltd., Jiangsu Levima Technology Co., Ltd. and Levima Chemical Sales Co., Ltd.; The certification scope covers R&D, manufacture and sales of chemical materials, such as EVA.

3. PROTECTING THE FAVORABLE ENVIRONMENT OF LUSH MOUNTAINS AND LUCID WATERS

In 2022, Legend Holdings and its subsidiaries actively carried out environment-themed publicity campaigns, training sessions, and drills to enhance the environmental protection awareness and capability of all employees. Legend Holdings produced energy and water conservation-related promotional animations and released them on the Company's intranet for all staff; Levima Advanced Materials launched the construction of the Legend Public Welfare Forest and the "Bring Your Own Cup" action plan in conjunction with World Earth Day and National Energy Conservation Awareness Week, and called on staff to participate in the China Greening Foundation's "I Have a Poplar Forest" initiative online to continue to build a green business card for *There is no plan(et) B*.

During the Reporting Period, Legend Holdings had no major incident or lawsuit arising from violations of environmental protection laws and regulations such as those related to emissions, leakage, and waste generation, nor any other significant impact on the environment.

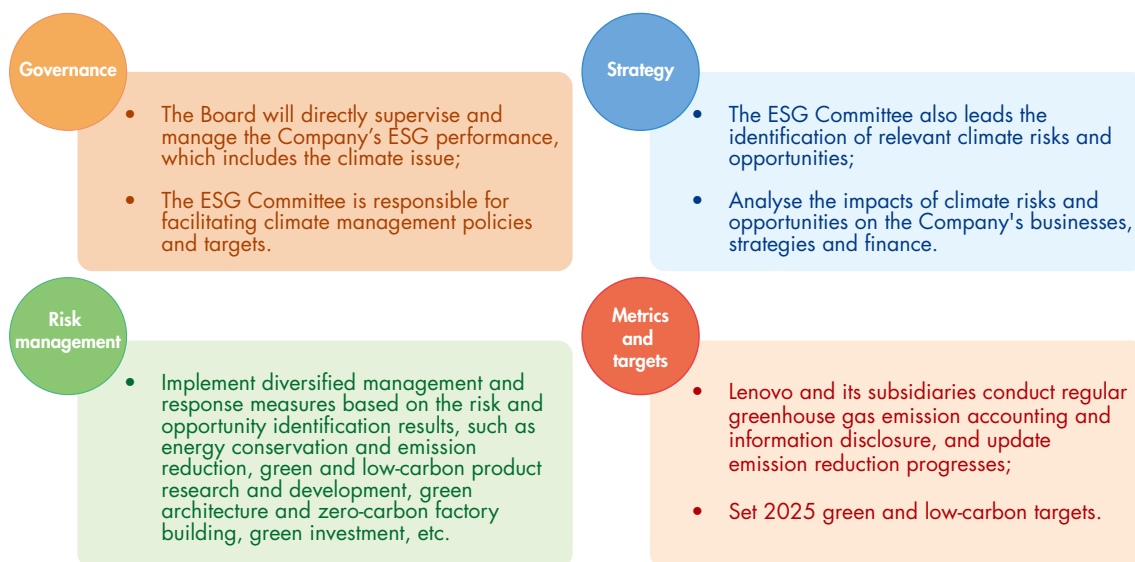
RESPONDING TO CLIMATE CHANGE AND IMPLEMENTING ENERGY MANAGEMENT

Legend Holdings actively builds the climate change response system and strengthens the management of climate risks and opportunities to mitigate and adapt to the impacts of climate change on business segments from top to bottom. In addition, the Company and its subsidiaries value the direct benefits of energy management to reducing greenhouse gas emissions, and make concerted efforts to realise emission reduction primarily in direct production and operation segments from such aspects as energy conservation and efficiency improvement of equipment, innovation and optimisation of processes, and increased renewable energy use.

Climate Change Response System

In 2022, in accordance with suggestions of the Task Force on Climate-Related Financial Disclosures (TCFD), we constructed a climate-related information disclosure framework by governance, strategy, risk management, and indicators and goals to continuously perfect the climate change management system and unfold a low-carbon blueprint.

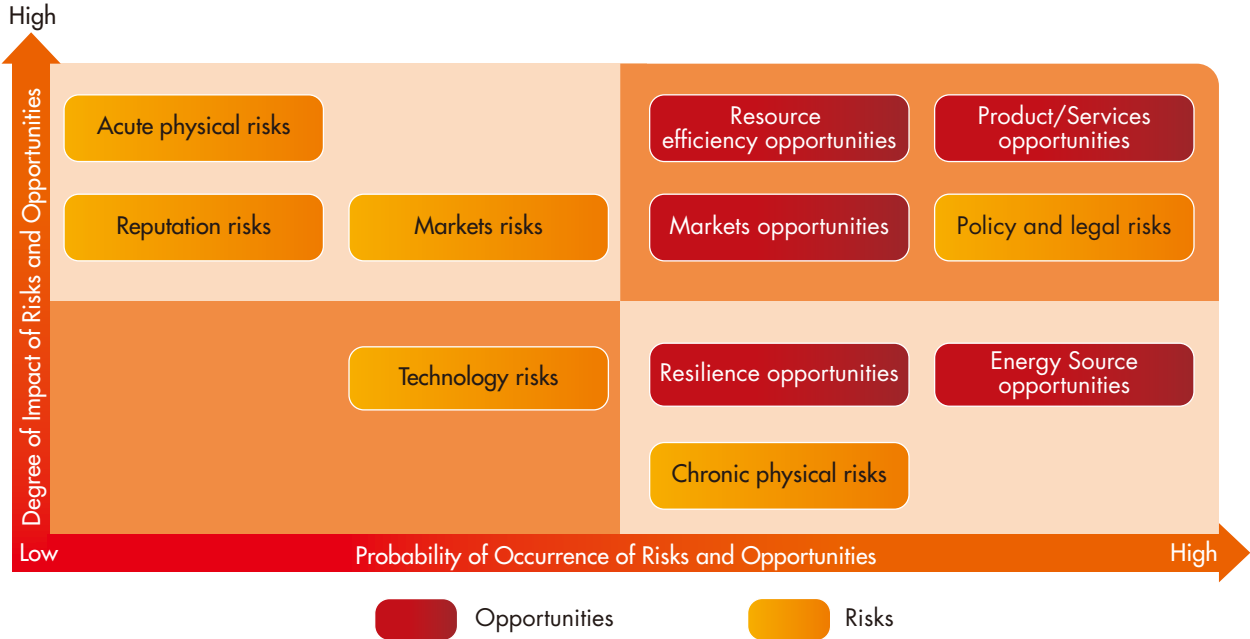
Climate-Related Information Disclosure Framework of Legend Holdings



The Board of Legend Holdings is responsible for the comprehensive supervision and management of the Company's ESG matters, including the management of climate-related ESG performance. The ESG Committee is responsible for identifying the risks and opportunities brought up by climate change, and formulating relevant visions, strategies, and policies to ensure the effective implementation of Legend Holdings' climate-related strategies and objectives, and push forward the realisation of climate-related management policies and objectives in subsidiaries.

With our business characteristics and the status quo of development as the basis and by taking into account expert advices, we identify climate-related risks and opportunities that may have a potential impact on our businesses and operations, and rank them based on their likelihood of occurrence and the degree of impact of their potential consequences. The results of the ranking are presented in the Climate-related Risk and Opportunity Matrix.

Climate-related Risk and Opportunity Matrix



We analyse major climate-related risks and opportunities, assess their impacts on the Company's operations, strategies, and finance, and draw up

corresponding management measures to build a complete climate change response system.

3. PROTECTING THE FAVORABLE ENVIRONMENT OF LUSH MOUNTAINS AND LUCID WATERS

Substantive Climate-related Risks and Opportunities and Their Management

Substantive Climate-related Risk or Opportunity	Specific Description	Strategic Impacts	Potential Impacts	
			Financial Impacts	Response Management
Physical Risks				
Acute physical risks	The increasingly severe and frequent physical risks brought about by climate change (including extreme weather events such as heavy rainfall, floods, and hurricanes) may have a significant impact on the Company's operations and fixed assets.	Operations	Operating cost ↑ Value of fixed assets ↓	Emergency plans Emergency drills Insurance
Chronic physical risks	Global warming and rising sea level have directly impacted many coastal or low-lying cities, which may greatly affect the Company's medium and long term operations.	Operations	Operating cost ↑ Value of fixed assets ↓	Location assessment Insurance
Transitional risks				
Policy and legal risks	With the increasingly strict climate-related laws, regulations, and industry standards, and strings of newly-introduced policies and regulations in the Company's places of business, the Company may face corresponding regulatory pressure and litigation risks.	Operations	Operating cost ↑	Policy and regulation identification Increased input in environmental protection
Reputation risks	With the public and clients getting more concerned about the impact of global warming and climate change and raising their expectations of the Company in taking responsible actions to address the global challenge, failure to take appropriate actions to mitigate the impacts of climate change may damage the Company's business image and reputation.	Operations Products and services	Operating income ↓	Low-carbon production and operation Low-carbon product R&D Climate-related information disclosure
Markets risks	Under the circumstance of significant fluctuation in raw material price due to climate change, any ineffective response to the pricing of products and inventory cost controls will risk a decline in the operating performance of the Company's subsidiaries.	Products and services Supply chain	Operating income ↓	Sustainable management of supply chain

Substantive Climate-related Risk or Opportunity	Specific Description	Potential Impacts		
		Strategic Impacts	Financial Impacts	Response Management
Opportunities				
Product/ Services opportunities	The Company and its subsidiaries develop new low-carbon products and services to meet changing preferences of customers and consumers, thereby getting additional revenue, reputation, and business.	Products and services	Operating income ↑	Low-carbon product R&D Green production and manufacturing
Resource efficiency opportunities	The Company formulates business strategies and effectively reduces the building energy consumption of water, electricity and gas by constructing more energy-efficient offices and low-carbon infrastructures, thereby reducing indirect operating costs and facilitating the construction of low-carbon ecosystems.	Operations	Operating cost ↓	Low-carbon production and operation Green factories Green buildings
Markets opportunities	The Company and its subsidiaries actively seek opportunities in new markets of the green economy or new types of assets to realise diversified operation and to play a role in the overall transformation of the low-carbon economy by participating in the carbon asset trading and green investment and financing projects.	Products and services	Operating income ↑	Participating in carbon trading Conducting green investment and financing

Greenhouse Gas Accounting and Verification

Legend Holdings is well aware of the materiality of conducting greenhouse gas inventory and building a solid data foundation for formulating plans of subsequent carbon reduction actions. Therefore, the Company and its subsidiaries carry out the pertinent work year after year and continue to perfect the statistical criteria.

During the Reporting Period, Lenovo, Raycom, Levima Advanced Materials, and BIL have all conducted accounting of their greenhouse gas emissions in Scope 1 and Scope 2. Additionally, Lenovo identified substantive categories in Scope 3 (such as purchased goods and services, use of sold products,

and employee commuting) warranting tracking and evaluation, conducted targeted accounting, and accepted third-party verifications of energy and climate change-related data. Levima Advanced Materials carried out regular carbon emission accounting and verification, and conducted specific carbon emission evaluations for new items. BIL launched the accounting of carbon footprints covering operation carbon footprint and financed emission, and identified the material emission categories within Scope 3 and relevant investment portfolios. The Company will continuously evaluate the existing goals according to the accounting and verification results and develop further carbon reduction goals in a due manner.

3. PROTECTING THE FAVORABLE ENVIRONMENT OF LUSH MOUNTAINS AND LUCID WATERS

Greenhouse Gas Emissions of Legend Holdings and Its Subsidiaries

Major Types of Emission Sources				Emission Performance in 2022
Scope 1	Scope 2	Scope 3 Key Categories		
Lenovo	<p>Fixed combustion: gasoline, diesel, natural gas and LPG</p> <p>Mobile combustion: gasoline, diesel, LPG, CNG and aviation kerosene</p>	<p>Purchased electricity</p> <p>Purchased steam</p> <p>Purchased cooling</p>	<p>Upstream transportation and distribution</p> <p>Purchased goods and services</p> <p>Use of sold products</p> <p>Disposal of sold products</p> <p>Capital goods</p>	<p>6,069 Scope 1/ tCO₂e</p> <p>191,778 Scope 2/ tCO₂e</p>
Raycom	<p>Fixed combustion: diesel (standby generators) and heating boilers</p> <p>Mobile combustion: fuels for passenger vehicles</p> <p>Fugitive emission: refrigerant</p>	<p>Purchased electricity</p>	<p>Capital goods</p> <p>Downstream leasing assets</p>	<p>557 Scope 1/ tCO₂e</p> <p>23,747 Scope 2/ tCO₂e</p>
Levima Advanced Materials	<p>Fixed combustion: coal, LPG, natural gas (canteen)</p> <p>Mobile combustion: gasoline and diesel</p> <p>Industrial processes: emissions from DMTO units, boilers, and EO units</p>	<p>Purchased electricity</p> <p>Purchased heat</p>	<p>Upstream transportation and distribution</p> <p>Purchased goods and services</p> <p>Capital goods</p>	<p>3,059,241 Scope 1/ tCO₂e</p> <p>631,331 Scope 2/ tCO₂e</p>
BIL	<p>Fixed combustion: natural gas and coal gas</p> <p>Mobile combustion: fuels for owned vehicles</p>	/	<p>Employee commuting</p> <p>Capital goods</p> <p>Investment</p>	<p>695 Scope 1/ tCO₂e</p> <p>0 Scope 2/ tCO₂e</p>

Energy Management

During the Reporting Period, specific types of direct and indirect energy were used in the production and operation processes of Legend Holdings and its subsidiaries.

Energy Use of Legend Holdings and Its Subsidiaries (Main)

Business Type	Direct Energy	Indirect Energy
Lenovo	Gasoline, diesel, liquefied petroleum gas (LPG), compressed natural gas (CNG), and aviation kerosene	Purchased electricity, steam and refrigerant
Raycom ¹	Gasoline, diesel, and gas	Purchased electricity and heat provided by government
Levima Advanced Materials	Coal, gasoline, diesel, natural gas and LPG	Purchased electricity
BIL	Natural gas and fuel oil	Purchased electricity

Legend Holdings and its subsidiaries have established targeted energy management systems and regulations, taken the initiative to get certified by corresponding systems, and formulated short to medium term goals related to energy consumption and renewable energy to promote the implementation of energy-saving and efficiency improvement measures and energy management efficiency.

¹ "Raycom" here refers to the Raycom Info Tech Park, including the office area of the Legend Holdings headquarters.

3. PROTECTING THE FAVORABLE ENVIRONMENT OF LUSH MOUNTAINS AND LUCID WATERS

Energy Management Systems of Legend Holdings and Its Subsidiaries

	Energy Management Policies	Energy Management System Certifications	Energy Management Goals
Legend Holdings	<i>Equipment and Facility Operation Manual of Legend Holdings, Equipment and Facility Operation and Maintenance Records of Legend Holdings, Standards of Legend Holdings for Comprehensive Inspection of Office Areas, etc.</i>	Non-manufacturing enterprise, no relevant certification carried out	To continuously expand the proportion of renewable energy use; to promote the implementation of energy conservation and emission reduction throughout subsidiaries
Lenovo	"Production factories' energy consumption" is incorporated into EMS framework as a priority in management	Beijing headquarters and multiple operation offices in Hefei, Wuhan and other regions at home and abroad have been certified to meet the requirements of ISO 50001	To reduce the total energy consumption of ISO 50001-certified locations by at least 1.5% compared to the energy baseline in FY 2019/20 in the next three years
Raycom	Non-production enterprise, no special system established	Non-production enterprise, no relevant certification carried out	Using that of 2018 as a baseline, to reduce electricity consumption in the public areas of the Raycom Info Tech Park by more than 7.5% and to reduce gas use by more than 32% and municipal heating by more than 32% by 2023
Levima Advanced Materials	<i>Energy Management Measures</i>	Certified to meet the requirements of ISO 50001 and RB/T 114-2014 systems	To reduce the energy consumption per RMB10,000 of output value in 2023 by 8% cumulatively against that of 2020
BIL	Non-manufacturing enterprise, no special system established	Non-manufacturing enterprise, no relevant certification carried out	On the basis of the average consumption in recent 5 years, the gas consumption decrease by 15% and the electricity consumption decrease by 10% by 2023

During the Reporting Period, we made concerted efforts in such aspects as energy conservation and efficiency improvement of equipment, innovation and optimisation of energy conservation processes, and increase of renewable energy use to make energy management a pillar in responding to climate change and to maximise benefits from emission reductions.

Energy Conservation and Efficiency Improvement Measures and Achievements of Legend Holdings and Its Subsidiaries

Legend Holdings	<ul style="list-style-type: none"> • Minimized the use of physical devices and maximized computing utilisation and energy efficiency through measures combined with VMware virtualization technology • Realized automatic and scheduled lighting control through centralised control • Implemented centralised control of air conditioning temperatures
Lenovo	<ul style="list-style-type: none"> • In Hefei LCFC base, completed Phase I of its Building Automation System (BAS), saving 1.397 million kWh of electricity annually; and put in place the independently developed Lenovo Advanced Production Scheduling (LAPS), reducing the emission of CO₂ by 2,000 tonnes per year • Carried out energy-saving upgrading of EC fans and LED lights, saving about 4.76 million kWh of electricity per year in Wuhan Industrial Base • Installed renewable energy facilities such as lighting facilities with low energy consumption and related electrical equipment, solar water heating systems, and solar power stations
Raycom	<ul style="list-style-type: none"> • Continuously carried out intelligent upgrading and transformation of lighting systems, fan coil units, fresh air handling units, computer room group control systems, etc. • Heated water in Building B and underground commercial areas by solar energy instead • Applied the intelligent operation and maintenance management platform to achieve the automatic adjustment of operating parameters of cold and heat sources of air conditioning systems, transmission and distribution systems, and end equipment to improve the energy efficiency

3. PROTECTING THE FAVORABLE ENVIRONMENT OF LUSH MOUNTAINS AND LUCID WATERS

<p>Levima Advanced Materials</p>	<ul style="list-style-type: none"> • Through the technical development of the DMTO plant and the use of MTO-grade methanol, the annual steam saving of approximately 209,000 tonnes was achieved, equivalent to a reduction in energy consumption of approximately 22,000 tce, which is equivalent to the avoidance of 70,924.4 tonnes of carbon dioxide emissions • EVA tube tailing technology upgrade project commenced operation, utilising waste heat from the reaction to produce 0.4 Mpa steam at a rate of approximately 3,000 tonnes per month, which translates into an annual reduction in energy consumption of approximately 2,200 tce, equivalent to an avoided emission of approximately 7,100 tonnes of carbon dioxide • The addition of a wall valve to the condensate tank inlet of the MTO plant reduced the steam consumption of the methanol-low-pressure steam vaporizer, saving approximately 4,400 tonnes of 0.4 MPa steam per month, resulting in an annual reduction in energy consumption of approximately 3,800 tce, equivalent to an avoided emission of approximately 12,250 tonnes of carbon dioxide • Reduced steam consumption through the production of MTO-grade methanol by its subsidiary Levima Chemical, resulting in a reduction in energy consumption of approximately 20,000 tce; continued to promote the use of fuel gas for gasification ovens, resulting in a saving in natural gas consumption of approximately 100,000 m³/year; and implemented a technical upgrade project of carbon dioxide gas transfer, with its low-temperature methanol washing plant being diverted to an external unit; the above measures are equivalent to a total of approximately 365,000 tonnes of carbon dioxide emissions avoided • Real-time uploading and monitoring of energy data through the energy online monitoring system
<p>BIL</p>	<ul style="list-style-type: none"> • Replaced the transformers, UPS system, boiler burners and lighting equipment for stairs in buildings, reducing the energy cost and improving the energy efficiency • Re-adjusted the lighting time in the outdoor area, reducing the energy consumption of lighting • All electric power from renewable sources

In terms of sources of renewable energy for replacement, Lenovo continues to advance the construction of renewable energy facilities and chooses to additionally purchase Renewable Energy Certificate (REC), International Renewable Energy Certificate (I-REC), and Guarantees of Origin (GO) to support the use of clean energy. During the Reporting Period, multiple bases of Lenovo across the globe accelerated their zero-carbon transformation through building photovoltaic power stations. The total installed solar capacity of all the projects was about 17 MW, with the total solar power generated standing at 9,360 MWh, which is equivalent to reducing the CO₂ emission by about 5,438 tonnes. BIL has realised 100% use of electricity from renewable sources (including EcoMix and hydro-source).

In addition, we actively conducted energy-saving publicity campaigns, training sessions and other activities for all employees to cultivate an energy-saving atmosphere. Lenovo actively carried out energy-saving educational campaigns. Levima Advanced Materials organised activities to solicit reasonable suggestions for energy conservation and consumption reduction, and adopted over 100 suggestions from employees, pushing forward energy conservation and consumption reduction work by pooling the wisdom and efforts of everyone.

RESOURCE MANAGEMENT

Legend Holdings and its subsidiaries manage all types of water resources, raw materials, packaging materials, and other resources involved in their business processes, and formulate corresponding management strategies, systems, and regulations while holding fast to the concept of resource conservation and recycling to continuously improve resource utilisation, facilitate the sustainable use of resources, and promote the sustainable development of the environment and society.

Water Resource Management

Legend Holdings manages water resources in strict accordance with the requirements of laws and regulations such as *Water Law of the People's Republic of China*, *Water and Soil Conservation Law of the People's Republic of China*, *Measures for the Implementation of the Water Intaking Permit System*, and *Regulations on the Administration of Urban Water Conservation*. Lenovo has formulated the *Flexible Water Usage Policy* to continuously measure and monitor its water usage and the risks thereof.

During the Reporting Period, Raycom and BIL headquarters got water from municipal pipe networks, with no problem in seeking and getting water. The vast majority (99%) of Lenovo's water was supplied by third parties, with a small amount obtained from groundwater directly, and it has conducted classified calculations of the proportions of water taken from water-deficient areas and will continuously disclose the corresponding data. The main water sources of Levima Advanced Materials are surface water and municipal water; the surface water is obtained with water withdrawal permit from the competent authorities, and there is no problem in seeking water sources.

In 2022, we set the overall water consumption goal of "maintaining the current level of water consumption density (with an increase of no more than 5% compared with that of 2021) by 2025, and reducing the figure by 5% compared with that of 2021 if possible". Lenovo also set the short-term goal of "maintaining water consumption per capita in FY 2021/22 (with an increase of no more than 5% compared with that of FY 2020/21), and conducting operation water consumption and risk analysis "to promote the efficient use of water resources.

3. PROTECTING THE FAVORABLE ENVIRONMENT OF LUSH MOUNTAINS AND LUCID WATERS

Main Measures and Results of Water Resource Management of Legend Holdings and Its Subsidiaries in 2022

Lenovo	<ul style="list-style-type: none"> • Made an annual assessment of the Group’s operational water footprint and water risks within the supply chain with publicly-available water risk assessment tools • Included regulations related to water resources in supplier-related guidelines to ensure sufficient high-quality water for wet process in the supply chain • Joined the “CEO Water Mandate” established by the UN
Raycom ¹	<ul style="list-style-type: none"> • Upgraded the remote water meters in Block A and C to accurately control the water consumption • Installed water-saving equipment in places with huge water consumption
Levima Advanced Materials	<ul style="list-style-type: none"> • Improved the quality of reclaimed water reuse and the utilisation of reclaimed water through the optimisation of reclaimed water treatment facilities, and reused about 1.10 million tons of reclaimed water throughout the year
BIL	<ul style="list-style-type: none"> • Continuously monitor water consumption and actively identify and fix irregular conditions, improving the utilization efficiency of water

Raw Material Management

Legend Holdings and its subsidiaries implement traceability management of different types of raw materials to ensure the compliant, efficient, and green use, and promote the reduction of raw materials by choosing to use renewable or recyclable materials to support the circular economy.

In 2022, Legend Holdings purchased exclusively printing products containing renewable materials (including business cards that use FSC® and ASI-certified regenerated paper and notebooks with China Environmental Labeling) to cut down the consumption of natural resources such as forests and reduce the environmental footprint.

Lenovo continued to use post-industrial recycled content (PIC) plastic, post-consumer recycled content (PCC) plastic, and closed-loop post-consumer recycled (CL-PCR) plastic, and incorporated new low-carbon raw materials such as recycled aluminum and magnesium into its products. The CL-PCR plastic has been used in 248 products, and about 1,600 tonnes of carbon emissions can be reduced by incorporating PCR plastic into components such as speakers, antennas, and cable bearers. In addition, Lenovo prioritized the use of environment-friendly materials, restricted the

use of ozone-depleting substances, persistent organic pollutants and such in its products in accordance with the *Stockholm Convention*, the European Union (EU) *Restriction of Hazardous Substances (RoHS)*, and the *Registration, Evaluation, Authorisation, and Restriction of Chemicals (REACH)*, and supported phasing out brominated flame retardants (BFRs), polyvinyl chloride (PVC) and other halogen materials.

Levima Advanced Materials formulated systems such as *Measures for Managing the Entry into and Exit from Factories of Chemical Raw and Auxiliary Materials and Products*, *Measures for the Administration of Chemical Catalysts, Solvents and Additives*, and *Rules for the Administration of Coal* for such non-renewable raw materials as coal and methanol that are mainly used in production processes to form a complete raw material management system, and improved production capacity and cut down raw material consumption through technical optimisation and breakthroughs. Moreover, Levima Advanced Materials actively promoted coordinated cooperation with the existing industrial chain in launching new projects and sourced many types of materials from its own supply chain, thereby yielding green and economic benefits.

¹ “Raycom” here refers to the Raycom Info Tech Park, including the office area of the Legend Holdings headquarters.

Packaging Material Management

During the Reporting Period, only Lenovo involved significant use of packaging materials in the provision of products and solutions. Lenovo made continuous efforts to track and manage the use performance of packaging materials, remaining committed to reducing the consumption thereof and increasing the proportion of environmentally sustainable packaging materials used.

Lenovo: Innovation-led green packaging

Lenovo focuses on realising high-quality packaging with low consumption of materials by increasing the use of recyclable materials and bio-based materials, reducing the packing size, and promoting repeatable industrial packaging solutions.

Bamboo Fiber Gift Boxes

Bamboo fiber has the advantages of high structural strength, lightweight, and rapid regeneration. During the Reporting Period, Lenovo launched brand-new bamboo fiber gift boxes made entirely of renewable bamboo fiber, which are lighter than the previous ones by 30%, effectively promoting the reduction of packaging materials.



Packaging with Recycled Ocean Plastic

Lenovo introduced the packaging material of recycled ocean plastic made entirely of renewable or recycled materials, reducing the consumption of new plastics by 151 tonnes for each million computers sold, which is equivalent to saving 6.7 million MJ of energy and 618 tonnes of water, thereby reducing about 82 tonnes of carbon emissions. In 2022, the sustainable packaging solution of recycled ocean plastic everGREEN was awarded the German Red Dot Winner Design Award.



3. PROTECTING THE FAVORABLE ENVIRONMENT OF LUSH MOUNTAINS AND LUCID WATERS

Plastic-free Packaging

Lenovo is committed to eliminating plastic materials from the product packaging. The 100% plastic-free packaging has been realised for its ThinkPad X1 and Z series by combining bamboo fiber technology with other innovatively-developed materials. In the future, Lenovo will keep conducting assessments and expand the use of plastic-free packaging to other product lines.



In addition, Lenovo requires that all corrugated cartons contain at least 70% of post-consumer recycled fiber content, and that suppliers use as many post-consumer recycled materials as possible provided that there is sufficient supply and that the packaging performance is not compromised. As of the end of the Reporting Period, Lenovo's packaging materials were reduced by 497 tonnes through packaging reduction and innovation.

EMISSION AND WASTE MANAGEMENT

Legend Holdings and its subsidiaries manage specific air pollutants, wastewater, and solid waste involved in businesses to strive to achieve emission and waste reduction and solid waste recycling while ensuring that relevant emission, treatment and disposal processes comply with the relevant laws and regulations of the operating sites, thereby minimising the impacts on the environment.

Air pollution emissions and management

Legend Holdings controls specific air pollutants generated in production and operating activities in strict compliance with laws, regulations and standards such as *Law of the People's Republic of China on the Prevention and Control of Air Pollution*, *Emission Standard of Air Pollutants for Thermal Power Plants* (DB 37664-2019), and *Limitation of Emissions of Volatile Organic Compounds* of Luxembourg.

During the Reporting Period, Legend Holdings and its subsidiaries identified specific emission pollutants according to the different types of fixed or mobile emission sources. Lenovo did not directly emit a large amount of exhaust gas in its business processes, and only a few of its facilities used household and cleaning products that contain a small amount of volatile organic compounds. The relevant emissions were very small in volume and could not be quantified.

Emission and Control of Air Pollutants of Legend Holdings and Its Subsidiaries

Organisation	Major Emission Sources	Major Emission Pollutants	Pollutant Control Measures
Raycom ¹	Self-owned passenger vehicles, heating boilers, and standby diesel generators	Nitrogen oxides (NO _x), sulfur dioxide (SO ₂), carbon monoxide (CO), and PM ₁₀	Reduce energy consumption through energy-saving transformation measures and intelligent management of air conditioning systems, thereby reducing emissions
Levima Advanced Materials	Engineering equipment, boilers, and self-owned passenger vehicles	NO _x , SO ₂ , PM	Emit after treatment by professional environmental protection facilities to ensure compliance with emission standards while carrying out further reduction measures
BIL	Self-owned vehicles	NO _x , SO ₂ , CO, PM ₁₀	Procure and use more new energy vehicles, reducing the exhaust gas emission of vehicles

During the Reporting Period, there were no material incidents in which Legend Holdings was penalised by the relevant authorities for breaching the relevant emission pollutants restrictions.

Wastewater Management

Legend Holdings controls wastewater and pollutants generated from production and operating activities in strict compliance with laws, regulations and standards such as *Law of the People's Republic of China on Prevention and Control of Water Pollution*, *Integrated Wastewater Discharge Standard* (GB 8978-1996), *Discharge Standard of Water Pollutants for Electronic Industry* (GB 39731-2020), and *Discharge Standards of Water Pollutants for Pharmaceutical Industry Chemical Synthesis Products Category* (GB 21904-2008).

During the Reporting Period, only Lenovo and Levima Advanced Materials had significant discharges of industrial wastewater and related pollutants. Other subsidiaries are non-production enterprises, and the domestic sewage generated by them was treated by third-party sewage treatment plants and then discharged in a compliant manner.

Lenovo signs agreements with third-party treatment institutions in accordance with its EMS requirements, and determines the discharge limits for wastewater and related pollutants from its factories in accordance with relevant laws and regulations, discharge limits of its places of operation, and the treatment capacities of third parties. Currently, over 99% of Lenovo's wastewater is treated by third parties.

Levima Advanced Materials controls wastewater and chemical oxygen demand (COD), ammonia nitrogen (NH₃-N) and other monitoring indicators in strict accordance with relevant laws and regulations to ensure that all wastewater is discharged in compliance with regulations and that the total amount discharged is lower than that specified in the pollutant discharge permit.

During the Reporting Period, there were no material incidents in which Legend Holdings was penalised by the relevant authorities for breaching the relevant wastewater discharge restrictions.

¹ "Raycom" here refers to the Raycom Info Tech Park, including the office area of the Legend Holdings headquarters.

3. PROTECTING THE FAVORABLE ENVIRONMENT OF LUSH MOUNTAINS AND LUCID WATERS

Solid Waste Management

Legend Holdings conducts prioritised management of various types of solid wastes involved and their impact on the environment in strict compliance with laws, regulations and relevant rules such as *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Waste*, *Notice on Strengthening the Management of Chemical Hazardous Substances*, *Notice on Strengthening the Environmental Management of Waste Electrical and Electronic Equipment*, *Regulations on the Management of Domestic Waste in Beijing*, *Standard for Pollution Control on Hazardous Waste Storage* (GB 18597-2001), and Luxembourg Zero Single-Use Plastic Manifesto, and SuperDrecksKesch Fir Betreiber (SDK) label.

During the Reporting Period, the disposal of non-hazardous industrial solid wastes and hazardous wastes was involved in the production processes of Lenovo and Levima Advanced Materials. Only the disposal of domestic wastes was involved in other non-production companies and subsidiaries.

Legend Holdings collects and disposes of hazardous and non-hazardous wastes in a centralised manner. In addition, we reduce the amount of solid waste disposed of through such methods as recycling and source reduction. In 2022, we set the waste management goal of "having garbage sorting implemented in all office spaces, and maintaining 100% of compliant disposal of hazardous waste by 2025" to further enhance the effective management of wastes.

Generation and Control of Solid Wastes of Legend Holdings and Its Subsidiaries

Organisation	Non-hazardous Wastes	Hazardous Wastes
Lenovo	<ul style="list-style-type: none"> • Management system: <i>Field Environmental Project Manual</i> • Waste types: office and canteen wastes, and non-hazardous packaging and production wastes from production factories • Disposal modes: <ul style="list-style-type: none"> – Sort and collect in the fields of generation – Entrust third-party waste management companies for disposal • Reduction target: to recycle and reuse 90% (+/-5%) of non-hazardous wastes within the Reporting Period 	<ul style="list-style-type: none"> • Management system: <i>Field Environmental Project Manual</i> • Waste types: spent oil, refrigerant, organic solvents, batteries, fluorescent bulbs, ballasts, etc. • Disposal modes: <ul style="list-style-type: none"> – On-site sorting – Hand over to approved suppliers for treatment

Organisation	Non-hazardous Wastes	Hazardous Wastes
Raycom	<ul style="list-style-type: none"> • Management system: <i>Waste Sorting Management System, Other Waste Management Process, Kitchen Waste Management Process, and Recyclables Management Process</i> • Waste types: construction waste and non-hazardous domestic waste • Disposal modes: assign special personnel to sort wastes into the categories of kitchen wastes, recyclables, and other wastes, and hand over to garbage collectors for treatment after subdividing recyclables • Waste reduction measures: <ul style="list-style-type: none"> – Stop the use of ultra-thin plastic bags in restrooms – Adjust and optimize the place of garbage cans in elevator lobbies and commercial areas 	<ul style="list-style-type: none"> • Management system: <i>Hazardous Waste Management Process</i> • Waste types: batteries, toner cartridges, ink cartridges, mercury-containing waste lamps, etc. • Disposal modes: <ul style="list-style-type: none"> – Assign special personnel to sort hazardous wastes – Entrust third parties with recycling and treatment qualifications for disposal • Waste reduction measures: encourage employees to buy back used computers that can still work
Levima Advanced Materials	<ul style="list-style-type: none"> • Waste types: general industrial solid wastes such as boiler ash, gypsum, sludge, and non-hazardous domestic waste • Disposal modes: <ul style="list-style-type: none"> – Sludge is burnt in boilers. – Boiler ash and desulfurized gypsum are handed over to qualified companies for treatment and comprehensive utilisation. – Domestic waste is collected at designated locations and handed over to the local sanitation department for collection, transportation and disposal. • Waste reduction measures: reduce the generation of general industrial solid wastes through the process optimisation. 	<ul style="list-style-type: none"> • Waste types: discarded packaging materials, spent lubricating oil, spent condensed oil, heavy alcohol, etc. • Disposal modes: put hazardous wastes such as spent oil, dead catalysts from gasifiers, etc. in temporary storage as required, and hand them over to organisations with corresponding treatment qualifications for disposal • Waste reduction measures: <ul style="list-style-type: none"> – Reduce the generation of waste VA through adjusting the operations of the vinyl acetate (VA) refining system in the ethylene vinyl acetate (EVA) copolymer plant – Reasonably prolong the service life of the battery in the instrument cabinet room by reducing the frequency of replacement, thereby reducing the generation of waste batteries

3. PROTECTING THE FAVORABLE ENVIRONMENT OF LUSH MOUNTAINS AND LUCID WATERS

Organisation	Non-hazardous Wastes	Hazardous Wastes
BIL	<ul style="list-style-type: none"> • Waste types: waste paper, waste glass, food waste, etc. • Disposal modes: <ul style="list-style-type: none"> – Classify, collect and store wastes – Recycle paper, cardboards, glass, mixed packaging, etc. – Treat the kitchen waste with biological methanation technology • Waste reduction measures: encourage duplex printing, paperless workflow and electronic signature 	<ul style="list-style-type: none"> • Waste types: waste bulbs, lamps, etc. • Disposal modes: <ul style="list-style-type: none"> – On-site sorting – Hand over to approved suppliers for treatment

BIODIVERSITY MANAGEMENT

Businesses under Legend Holdings’ direct operation have little impact on the environment and natural resources. We pay attention to the potential impact of the operations of our subsidiaries on biodiversity, and take appropriate preventive and management measures to reduce impacts.

During the Reporting Period, Legend Holdings did not have any significant impact on biodiversity that resulted from any of its production and operating activities, products, and services, nor did we have production bases or operating sites located in or near nature reserves, or in biodiversity-rich areas outside nature reserves.

Lenovo has taken the lead in incorporating Ocean Bound Plastic (OBP) into electronic products and packaging, and solved the problem of seawater immersion aging of materials through technologies such as increasing the length of molecular chains to avoid adverse impacts on marine ecosystems and marine animals. Raycom minimises the pesticide used during the outdoor garden maintenance and requests the maintenance organisations to use the low-toxic and high-efficacy pesticides meeting the national environmental protection standards. In addition, no rat bait site is arranged within the outdoor area of the Raycom Info Tech Park, avoiding birds’ ingestion of the bait. Artificial nests are arranged in some areas as shelters of birds.

Lenovo: protecting finless porpoises with intelligent ecology solutions

Lenovo has paid attention to the existence and abundance of Yangtze finless porpoises, the flagship species of Yangtze River ecosystem, for a long time and adopted the intelligent ecological protection solutions to promote the implementation of “joint protection of the Yangtze River” strategy and biodiversity conservation of the Yangtze River.

During the Reporting Period, Lenovo utilised its advantage, provided the “new IT” solutions integrating hardware, software and services to Tian’ezhou Reserve by means of donation and resolved the long-term problems relating to data security, storage and management. The solution improved the digital and intelligent level of the reserve from four dimensions:

- Set up a local data center and provided a longer storage time and a securer storage mode for the reserve’s data;
- Constructed a unified data management platform to improve the information scheduling and management;
- Deployed a large intelligent screen for data monitoring to display the reserve’s achievements in a digital and multi-dimensional manner;
- Laid a solid data foundation for the further identification and monitoring of finless porpoises through artificial intelligence in the future.

With the solution, the management personnel of the reserve have realised the real-time monitoring of the activities of finless porpoises within the controlled area, and been able to make flexible management decisions through analysing the dynamic change of the actual number of populations and their age distribution, hydrologic conditions, climate, etc.





FULFILLING
THE FAIR
AND SHARED
RESPONSIBLE
OPERATION



4. FULFILLING THE FAIR AND SHARED RESPONSIBLE OPERATION

Legend Holdings adheres to the responsible operation attitude of “pursuing fairness and striving for sharing”, deeply promotes the strategic idea of “industrial operation and technological innovation”, fully utilises its role in “driving the entire chain” and devotes itself to creating more positive values for the industrial ecology and whole society with its innovative, high-quality and sustainable operation practices. In addition, Legend Holdings also assists its subsidiaries in utilising their advantages in supply chain and promoting the coordinated development and sustainable transform of the entire value chain.

R&D AND INNOVATION

Under the guidance of positioning itself as the “main technological force in reinforcing the national strategies”, with its original will of serving the country through industry, Legend Holdings is committed to actively playing its role as an innovative leader and driver, further enhancing the incubation, investment and financial support in the technological innovation sectors and concentrating on continuously empowering the growth of “specialized, sophisticated, distinctive, and innovative” enterprises while improving its own innovative ability. In 2022, Legend Holdings and its

subsidiaries established a sound and efficient research and development innovation support and management mechanism, initiated multilayer industrial cooperation in a wide range to boost the industrialization of technological innovations, and integrated the concept and measures for IPR protection across the whole R&D and innovation process, forming the all-round innovation system considering both incentive and protection.

Drive Endogenous Innovation

Legend Holdings regards the improvement of leadership as an important breakthrough in sustainable development and actively constructs the internal R&D system and platform to motivate the endogenous innovation. Relevant subsidiaries actively carried out the internal innovation management and practices based on the type of products and services they provide and corresponding industrial demands.

In 2022, Legend Holdings continued to increase the R&D investments to support innovations. The total investment in R&D reached RMB15 billion, increasing by 21% compared with that of 2021.

Endogenous Innovation Practices of Subsidiaries of Legend Holdings

Lenovo	<ul style="list-style-type: none"> • Innovation concept: strive to become a solution provider driven by high-technology and concentrate on constructing an emerging IT architecture and promoting the service-oriented intelligent transformation • Innovation targets: developed the target of “by 2023/24 FY, double the R&D investment compared with that of 20/21 FY”, planned to invest above RMB100 billion in R&D and innovation in the next 5 years and increased 12,000 researchers in the next 3 years. • Innovation achievements: <ol style="list-style-type: none"> 1) While innovating the existing equipment, key parts and business modes within its business framework, Lenovo initiated the industry-leading green and low-carbon solutions, such as carbon offset services and “Device as a Service” (DaaS) circulation mode and promoted them in IT industry and value chain 2) Included in the list of “World’s Top 50 Most Innovative Companies”
Levima Advanced Materials	<ul style="list-style-type: none"> • Innovation concept: market-oriented, serving clients, technological innovation, refining products • Management system: <i>Product Development Management Measures, Scientific Research Project Management Measures, Measures for Operation and Management of R&D Projects, EOD R&D Management Measures, etc.</i> • Innovation achievements: <ol style="list-style-type: none"> (1) Laid out the research and development of new products of key materials for power batteries, and built platforms for the research and application of new battery materials (2) Conducted research and development of new bio-based and biodegradable materials, and cooperated in the development of new high-end bio-fermentation products (3) Layout of high-end polyethylene fiber materials and lithium battery separator materials, focusing on the development of processes related to the electronic special gas (4) Built and improved the technical platform and engineering laboratory for product and material development; completed the laboratory research and development of 11 new products and processes, the production process development of 10 new products and the industrialisation of 12 new products by 2022 (5) Jointly declared the project of “R&D and industrialization demonstration of biodegradable carbon dioxide based plastics by supercritical polymerization” with Changchun Institute of Applied Chemistry of Chinese Academy of Sciences and Institute of Process Engineering of Chinese Academy of Sciences, which was included in the key R&D program of the Ministry of Science and Technology of China
BIL	<ul style="list-style-type: none"> • Innovation highlights: laid emphasis on providing digital solutions to meet the clients’ demands while continuously developing the ESG-related financial products and set up the professional department and support team devoted to the development of digital tools for multi-channel services • Innovation achievements: further optimized online banking product the BILnet and LuxTrust, achieved the efficient integration of transaction information, market data and LuxTrust paperless signature and improved the accessibility of digital services

4. FULFILLING THE FAIR AND SHARED RESPONSIBLE OPERATION

Industrial Coordinated Innovation

Legend Holdings achieves the coordinated innovation among industries through investment in incubation, strategic cooperation, supply chain coordination, public welfare training, etc., empowering the innovative development and value shaping of the whole society.

In 2022, Legend Holdings focused on the key “specialized, sophisticated, distinctive, and innovative” enterprises and made investments to support the growth of 95 national-level specialized, sophisticated, distinctive, and innovative “Little Giants” from areas of the next-generation information technology, biotechnology and advanced material industries. Legend Star, affiliated to Legend Holdings, actively engaged in multiple sectors, including semiconductor chip, new energy, advanced material, etc. and invested in nearly 30 projects. Lenovo implemented the systematic investments into big computing, cloud computing, metaverse, etc. through Lenovo Capital, increasing 31 new investees and owning totally over 220 investee companies.

Coordinated industrial innovation practices of Legend Holdings’ subsidiaries

<p>Lenovo</p>	<ul style="list-style-type: none"> Established the digital management platform together with the small and medium enterprise suppliers to empower their digital transform, and supported the development of “specialized, sophisticated, distinctive, and innovative” small and medium enterprises by procuring high-grade, precise and advanced technologies and parts Initiated the Lenovo 360 Circle project in 2021 that aimed to accelerate the transition of the value chain to circular economy through innovative solutions, and had attracted 15 distributors and dealers Reached a strategic cooperation agreement with Tsinghua University in September 2022, set up 3 special industry, education and research deep integration projects and “Friends of Tsinghua – Lenovo Self-improvement Bonus”, promoted the exchange of high-level talents and jointly boosted the basic scientific research and innovation and transfer of scientific and technological achievements in intelligent manufacturing, integrated circuit, future computing, etc. In 2022, led the formulation of more than 200 national technical standards and participated in the formulation of above 30 international standards
<p>Levima Advanced Materials</p>	<ul style="list-style-type: none"> Deeply participated in the formulation of relevant technical standards and further promoted the commercialization of its own innovation achievements and practices In 2022, participated in the revision of 4 national standards and led the formulation of the industrial standard of <i>Methanol for Methanol to Olefins (MTO)</i>

Intellectual Property Protection

Legend Holdings integrates the concept of and measures for intellectual property protection across the whole R&D and innovation process and attaches importance to respecting and protecting the intellectual property of the entire value chain while protecting its own intellectual property from infringement.

Lenovo included the relevant requirements into the *Code of Conduct*, reached an agreement with the employees on the protection of confidential information and intellectual property and set up the Patent Review Committee and intellectual property-related legal team to protect the innovative achievements. Levima Advanced Materials formulated the *Intellectual Property Management Measures*, *Patent Management Implementation Rules*, *Brand Management Measures*, etc., which clearly stipulated the approval, maintenance, rewarding and punishing measures, application and promotion of intellectual property, relevant lawsuits and protection of patent rights. The Audit Department, Achievement Transform Department and Brand and Public Relation Department jointly carried out the intellectual property protection.

By the end of the Reporting Period, Lenovo held more than 19,000 patents, ranking the top 3 of Chinese companies in the Global 250 of the World's Largest Patent Holders released by IFI Claims. Besides, it was included in the list of Top 10 invention patent holders released by the China National Intellectual Property Administration for 5 consecutive years. During the Reporting period, Levima Advanced Materials had 59 valid newly-added patents, including 16 invention patents. As of the end of the Reporting Period, the subsidiary had a total of 217 granted patents, of which 69 were invention patents. In addition, the Lenovo's LCFC plant in Hefei became one of the first batch of enterprises filed at the China (Hefei) Intellectual Property Protection Center and a power supply device used for graphics card won the "Excellent Award for Patents of Anhui Province".

In 2022, Legend Holdings was not involved in any administrative punishment or other intellectual property dispute caused by violation of intellectual property laws and regulations.

SUSTAINABLE PRODUCTS AND SERVICES

As an industrial operation company, Legend Holdings has always paid attention to the accountability and sustainability of the products and services covered by the industrial segments related to its investments and the businesses of its subsidiaries. While ensuring the whole process, including the development, production, sales, use and recycling of relevant products and services in compliance with the relevant local laws, regulations, policies and standards, it continuously improves the quality, efficacy, accessibility and sustainability of products and services and minimises their impact on the environment and society, delivering accountable products and services.

Product Quality Management

Quality Management System

Considering their own business type, the subsidiaries of Legend Holdings engaged in product production and manufacturing establish a complete and firm quality management system and thereby provide the products with outstanding quality.

4. FULFILLING THE FAIR AND SHARED RESPONSIBLE OPERATION

Lenovo uses the quality policies as the basis of the quality management system (QMS) and relevant business process, establishes the quality management system framework and quality assurance system engaging all members of relevant manufacturing, product development and testing departments, and ensures they comply with the requirements of relevant standards, e.g., ISO 9001. With the quality policy of “striving for excellence and continuous improvement” and in strict accordance with the requirements of the national laws and regulations, such as the *Product Quality Law of the People’s Republic of China* and *Quality management systems – Requirements* (GB/T 19001-2016), Levima Advanced Materials formulates several internal systems and product quality standards, including *Quality Management Measures*, *Management Measures for Technical Standards*, *Management Measures for Key Processes* and *Quality Control Points*, etc. and, on this basis, carries out the quality management of the whole process.

By the end of the Reporting Period, the quality management system of all manufacturing plants of Lenovo and Levima Advanced Materials had passed the ISO9001 certification.

Lifecycle Quality Management

Legend Holdings adheres to the lifecycle management concept and supports the subsidiaries’ evaluation, management and improvement of various links, including the product development, manufacturing, transportation, installation, use, after-sales service, recycling, etc.

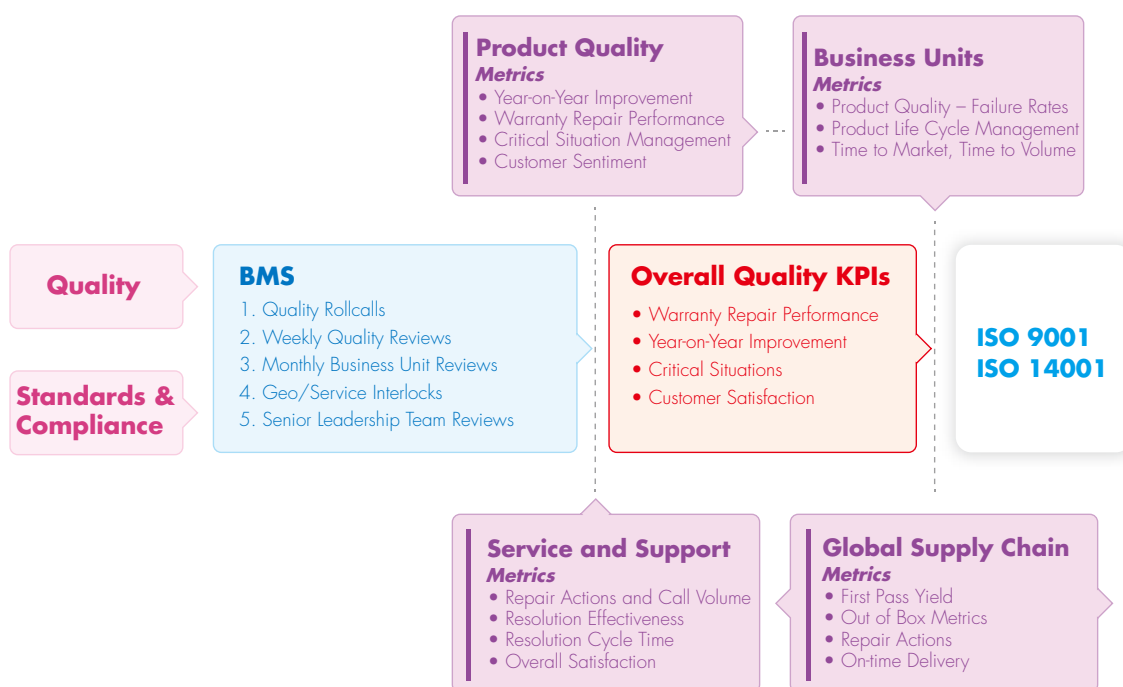
Lenovo sets up an active closed-loop management process, which boosts the continuous improvement of product quality and client satisfaction through the timely feedback and coordinated optimisation of each link across the lifecycle. Levima Advanced Materials continues to strengthen its quality management and ensure lean product quality by incorporating quality control measures into all aspects of product-related operations. BIL improves the cross-field workflow and thereby achieves the standardized management of product and service quality. BIL formulates the “process model” framework covering various sectors, e.g., design, sales, execution and after-sales service, and ensures the professionalism and efficiency of product-related works.

The Company also pays attention to the long-term quality management and strives to develop products with better stability, convenience and reliability. Lenovo is committed to enhancing the efficacy, durability and maintainability of products, and cooperates with the clients in the last stage of product lifecycle management. It minimises the impact of repair service on the consumers and safeguards the convenient repair of products through prolonging the battery lifecycle of laptop computers and providing consumers the service, repair manuals and videos for disassembling and replacing parts.

Lenovo: cross-department closed-loop quality assurance process

Lenovo highlights the responses to and efficient resolution of the clients' problems. It establishes a cross-department feedback mechanism that supports upward tracing to solve the problem fundamentally, and integrates it into a closed-loop quality assurance process to improve the overall quality management ability. In addition, Lenovo decides on the priorities for product safety, which ensures the sold products in compliance with the requirements of relevant laws, safety standards and ergonomic specifications and thereby provides the effective guarantee for the product quality and security across the whole lifecycle.

Involved Department	Quality Assurance Mechanism
Product R&D departments	<ul style="list-style-type: none"> • Conduct broad evaluations for the product prototypes and their development processes • Strictly test the finished products • Solicit the clients' and partners' opinions and advice on product design and features through interviews with focus groups
Engineering departments	<ul style="list-style-type: none"> • Learn about the information and advice from the Lenovo Technology Evaluation Center • Jointly improve and optimise the process with the help of the "Learning lessons" feedback mechanism • Maintain the product repair ratio at the low level compared with peers
Business divisions	<ul style="list-style-type: none"> • Develop and follow up the indicators and targets, including the product fault rate, launch efficiency, mass production speed, etc. • Create the atmosphere of engaging all employees in quality assurance through trainings



4. FULFILLING THE FAIR AND SHARED RESPONSIBLE OPERATION

Green Products

While ensuring the product quality, Legend Holdings and its subsidiaries continue to develop more low-carbon, environment-friendly and efficient green products and services, and actively make more contributions to the environment and society with their products in various business segments.

Low-carbon Products

Lenovo utilises the carbon footprint computing tool of PAIA (Product Attribute Impact Algorithm) to analyse and track the carbon footprints of its main products, and incorporates the commitment of “reducing the emissions arising from the use and sales of products (laptop computer, desktop and servers)” into the science-based carbon target. Many products of Lenovo, including the laptop computer, desktop, server and monitor, have been awarded the environmental protection certification labels, including EPEAT, UL GREENGUARD, TCO Certified and TÜVRheinland green product. A total of 27 monitors were recognized as “Energy Star Most Efficient” products during the Reporting Period; 10 product series were included in the list of 2021 Green Design Products published by the Ministry of Industry and Information Technology of the People’s Republic of China. In 2022, Yoga Slim 9i released by the Lenovo’s LCFC plant in Hefei became the first computer meeting the carbon neutrality requirements across the globe.

Levima Advanced Materials adheres to engaging in high-end green products and supporting the green and low-carbon transformation by providing EVA photovoltaic film materials and EOD special surfactant materials (refer to Special Topic 2 for details).

Green Investment and Financing

BIL focuses on ESG risk management in its products and services, actively promotes impact analysis and setting goals for its ESG products based on the UN Principles for Responsible Banking (UN PRB) to which it is a signatory, identifies clients’ ESG preferences and further refines its products, supports sustainable innovation and entrepreneurship. On the basis of such measures, BIL reduces the negative impact of its products while contributing to its “Towards SustainaBILity” campaign and global sustainability transformation. By the end of the Reporting Period, BIL has completed the first phase of impact assessment and exposure sizing, based on the climate risk self-assessment results to develop mitigation options and promote of the ECB climate risk stress test. Furthermore, BIL developed a series of new sustainable financial products, including the first green bond framework (refer to Theme 2 for details). In 2022, BIL set the ESG targets for the investment portfolios and continuously included the green and sustainable bonds into its investment portfolios. Totally four funds updated their ESG labels certified by the Luxembourg Finance Labelling Agency (LuxFlag).

Customer Service Management

Customer service is an important part of Legend Holdings’ product and service system. Legend Holdings actively listens to the feedback and advice from clients, ensures the products and services are in compliance with the requirements of local laws, regulations and administrative regulations of its operating places in terms of publicity, marketing, use and after-sales service, and continuously improves the satisfaction of clients and consumers, increasing the sustainable benefits of the products and services.

Customer Service Management System

All subsidiaries of Legend Holdings have established their own sound customer service management system and formulated the associated management system and complaint response or problem handling process, forming the closed-loop customer service management.

Customer Service Management Systems of Legend Holdings and Its Subsidiaries

	Management system	Complaint handling mechanism
Lenovo	<ul style="list-style-type: none"> Establish "Microsoft Dynamics" client relationship management system Manage complaint cases through the dedicated customer service team 	<ul style="list-style-type: none"> Collect customers' complaints through multiple online and offline channels Customer service teams manage complaint cases in an end-to-end manner Carry out client satisfaction surveys after the management Realise the closed-loop management through classifying and summarizing feedbacks, evaluating the improvement progress of key indicators, communicating internally, optimising processes, etc.
Raycom	<ul style="list-style-type: none"> Add the "Customer Service" sub-module to the SOP management system Prepare relevant system and process documents, such as <i>Customer Service Management System</i> and <i>Customer Migration Process</i> regarding the client relationship maintenance, conference services, identification system management, warranty management, etc. 	<ul style="list-style-type: none"> Collect the clients' feedbacks through multiple channels, including the property service director, reception personnel in lobby, leasing manager of the property owners and official WeChat account Hold the regular communication meetings on clients' demands and annual client satisfaction survey, and respond to, follow up and resolve customer feedback on a case-by-case basis; a satisfaction survey was conducted for 100% of office building customers in 2022, with an average satisfaction score of 93.8 (on a percentage scale)
Levima Advanced Materials	<ul style="list-style-type: none"> Incorporate the after-sales service in the company's quality management system Formulate the relevant standards about product quality management, inspection and recycling and provide the products meeting the clients' demands from the quality perspective 	<ul style="list-style-type: none"> Establish the client satisfaction measurement and management system and carry out annual and irregular client satisfaction surveys and analysis Implement targeted rectifications and improvements based on the client satisfaction information

4. FULFILLING THE FAIR AND SHARED RESPONSIBLE OPERATION

	Management system	Complaint handling mechanism
BIL	<ul style="list-style-type: none"> Considering the features of clients, e.g., their initiatives, develop the new distribution strategy in response to the clients' demands Develop a network of professionals and provide the face-to-face and remote support to clients Establish the Client Care Center integrating the daily communication with clients and after-sales service Provide friendly and accessible services to more subdivided groups through the BILnet service platform, customer service hotline, branches, etc. and customize services specially for vulnerable groups 	<ul style="list-style-type: none"> Formulate the complaints handling policy and carry out the daily and customized client satisfaction surveys following the "Voice of Customer" strategy Identify and analyze the key indicators, important client groups, pain points and major areas to be improved based on the results of multi-dimensional surveys Discuss the analysis results and improvement plans at the problem management and quality management conferences Hold regular conferences or symposiums together with other stakeholders and prepare special training against the recurring complained problems

During the reporting period, Legend Holdings and its subsidiaries received a total of 1,137 complaints about products and services. 100% of the above

complaints entered the corresponding adjustment procedures and were properly resolved through communication and negotiation with clients.

Responsible Marketing

Legend Holdings pays great attention to the compliance and accuracy in using and transmitting the publicity, promotion, marketing and labelling information of products and services and abides by the *Advertising Law of the People's Republic of China*, *Trademark Law of the People's Republic of China*, *EU's Markets in Financial Instruments Directive (MIFID & MIFID II)*, *Insurance Distribution Directive (IDD)*, *Sustainable Finance Disclosure Regulation (SFDR)* and other local and cross-border regulations, implementing the responsible marketing.

Lenovo incorporated "providing labels, instructions and other information for secure use of Lenovo products" in the product safety-related priorities to ensure the clients' understanding and safe operation of relevant products. Levima Advanced Materials developed the systems such as *Identification and Traceability Management Measures* to standardize the package labels of products and ensure the accurate description of the products' performance and features. BIL formulated the *Financial Promotion and Marketing Communication Policy* to regulate the clarity, integrity, neutrality, consistency, comparability, traceability, etc. of the financial instruments under the supervision of MIFID and SFDR.

During the Reporting Period, Legend Holdings did not have any major penalty incident caused by its violation of regulations and/or voluntary regulations related to the marketing, information and label of products and services, and was not involved in any lawsuit caused by the above incident.

SUPPLY CHAIN MANAGEMENT

The global supply chain is an important link of the Legend Holdings' value chain of industrial investments and operation. Legend Holdings and its subsidiaries play their role as core enterprises, while carrying out the strict management based on the supply ability, quality, security, compliance, etc. of the suppliers, strive to extend their own ESG management requirements and sustainability concept to the upstream supply chain, driving the suppliers to improve their sustainability management level and joining hands with them to build the green, low-carbon, fair, inclusive and responsible high-quality supply chain system.

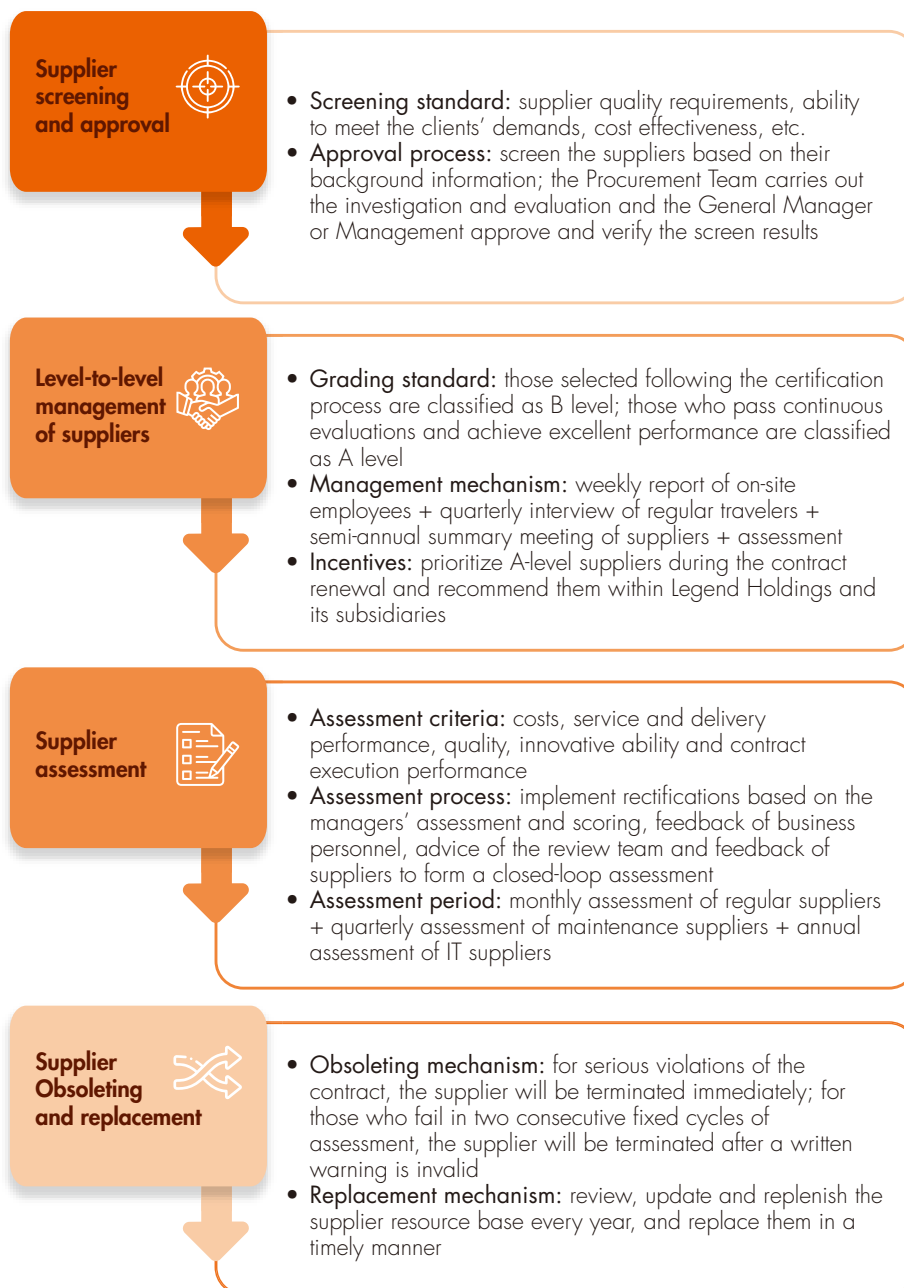
Supplier Management System

Legend Holdings and its subsidiaries have different primary businesses, business relationship and roles in the value chain, so their suppliers are different in composition and structure. During the Reporting Period, the Legend Holdings headquarters, Raycom and BIL were mainly involved in the procurement of non-manufacturing suppliers. Lenovo and Levima Advanced Materials focused on the management of manufacturing suppliers with higher ESG risks and impact.

Legend Holdings formulated multiple systems, including *Procurement Management System and Rules*, *Procurement Tendering Management Regulations*, *Administrative Procurement Tendering Process* and *Code of Conduct for Administrative Procurement Business Personnel*, which formed a management system covering the whole process of supplier screening, approval, level-to-level management, assessment and evaluation, obsoleting and replacement, which reduced the procurement risks, matched the management resources based on actual supply and demand and thereby selected the stable and efficient suppliers.

4. FULFILLING THE FAIR AND SHARED RESPONSIBLE OPERATION

Supplier Management System of Legend Holdings



In addition, all subsidiaries of Legend Holdings also established a targeted supplier management system covering the whole process according to their specific actual management situation and demands, and

based on this, carried out the screening, approval, daily management, assessment and change of suppliers.

Supplier Management System of Legend Holdings and Its Subsidiaries

	 Screen	 Approval	 Management	 Assessment	 Obsoleting and replacement
Lenovo	<ul style="list-style-type: none"> Conduct moral assessment for suppliers in regard of prices and terms based on the equal competition principle Select the most capable suppliers based on overall values 	<ul style="list-style-type: none"> Compliance authorization and approval Audit new suppliers in terms of their operation, financial stability and product safety 	<ul style="list-style-type: none"> Manage based on contracts (including legal contracts and operation agreements) Require all manufacture suppliers to observe the <i>Code of Conduct for Suppliers</i> Organise thematic lectures and training sessions 	<ul style="list-style-type: none"> Require 95% of suppliers to carry out RBA VAP audit on a biennial basis Work with PCSD quality team for the on-site audit of suppliers 	<ul style="list-style-type: none"> Terminate the cooperation with those committing material violations Follow up until the problems are closed Deduct scores of suppliers on a weighted basis Contact directly with suppliers
Raycom	<ul style="list-style-type: none"> Select suppliers through previous cooperation, internal recommendation, directory of external suppliers and self-recommendation Pre-examine supplier qualifications to collect basic information of the suppliers 	<ul style="list-style-type: none"> Select qualified suppliers based on the pre-examination and onsite assessment results Include selected suppliers in the directory upon approval of general manager 	<ul style="list-style-type: none"> Prepare <i>Methods for Supplier Management</i> to manage suppliers by grouping them into the categories of design and project or marketing and planning Update and maintain the supplier list regularly 	<ul style="list-style-type: none"> Regularly assess qualified suppliers of project/non-project businesses in terms of their contract performance Establish a supplier blacklist 	<ul style="list-style-type: none"> Disqualify blacklisted or unqualified suppliers Review and add new suppliers against a lack of suppliers in the directory
Levima Advanced Materials	<ul style="list-style-type: none"> Select prime suppliers in accordance with procurement demands and the supplier access certification system 	<ul style="list-style-type: none"> Audit new suppliers in accordance with <i>Methods for Supplier Management</i> Keep a ledger and file the suppliers' qualifications 	<ul style="list-style-type: none"> Manage suppliers by categorising them into two classes and four levels and include them in the <i>Qualified Supplier Directory</i> 	<ul style="list-style-type: none"> Organise annual supplier assessment factoring in the costs, quality, delivery capacity and other aspects Include quality, safety, environmental and other certifications and management system assessment Conduct dynamic field investigations on key suppliers 	<ul style="list-style-type: none"> Disqualify suppliers failing in the assessment regularly and reduce the procurement risks
BIL	<ul style="list-style-type: none"> Summarise the supplier list, goals for each business line and other information in the annual budgeting process Business lines work with the procurement department for bid inviting and pre-selection 	<ul style="list-style-type: none"> Assess the technology, service, risk resistance, resilience, reputation, compliance and other indicators of suppliers before the evaluation of bid 	<ul style="list-style-type: none"> Conduct category-based management by risk identification and marking results Communicate with suppliers regularly and organise internal meetings to share supplier information twice a year 	<ul style="list-style-type: none"> Conduct due diligence of designated suppliers by procurement and credit risk management departments Conduct annual financial review for suppliers 	<ul style="list-style-type: none"> Stop signing contracts with and granting businesses to suppliers with material risks and marked with "red codes" Develop plans to terminate businesses with risky suppliers and alternative solutions

4. FULFILLING THE FAIR AND SHARED RESPONSIBLE OPERATION

In 2022, Legend Holdings held an annual supplier summary meeting, summarizing the outcomes and highlights of the year's supplier management at the meeting, discussing the key problems and commending the excellent suppliers. Besides, the Legend Holdings' *Code of Conduct for Suppliers* was explained at the summary meeting, which laid a solid foundation for all suppliers to sign it and implementation of suppliers' ESG management requirements. In addition, Lenovo set up the supply chain intelligence (SCI) and LCFC ecological coordination platform for suppliers, connecting the information system of suppliers and further enhancing the visibility, transparency and agility of the supply chain partners.

Build Responsible Supply Chain

Legend Holdings pays great attention to the suppliers' commitments, strategies and behaviors towards business ethics, human rights and labor standards, responses to the climate change and green development, and strives to build a responsible and sustainable supply chain system while avoiding the ESG risks of suppliers.

In 2022, Legend Holdings formulated the *Code of Conduct for Suppliers*, which stipulated the concrete requirements for the suppliers' business ethics, human rights and employees' basic rights and interests, environmental, health and occupational safety, business operation security and internal procurement practices, and gradually signed the Code with more suppliers; all suppliers for headquarters sign the *Lenovo Holdings Supplier Integrity Commitment*. Moreover, Legend Holdings took the all-round measures to establish the ESG risk management mechanism for suppliers step by step through its efforts, such as adding the *Integrity Cooperation Agreement* that requested the suppliers to make a commitment to anti-corruption and integrity operation. It prioritized the suppliers with higher awareness of environmental protection and green and environment-friendly products bearing environmental certifications during the administrative procurement, reducing the impact of procurement activities on the environment, etc.

Legend Holdings and its subsidiaries also established their sound management mechanism and took proactive measures to enhance the ESG review on suppliers and the construction of their own sustainable supply chain management system.

Supply Chain ESG/sustainable Management Practices of Legend Holdings and Its Subsidiaries

Subsidiary	Management mechanism	Concerned areas	Main measures and achievements during the Reporting Period
Lenovo	<ul style="list-style-type: none"> • Include the supplier authorization requirements in the <i>Code of Conduct</i> and support the accountability system and responsible procurement • Carry out ethics evaluation during the screening of suppliers • Review the new suppliers according to Lenovo's own sustainable development strategies and ESG standards • Request all manufacturing suppliers to abide by <i>Code of Conduct for Suppliers</i> and encourage them to abide by the <i>Code of Conduct of Responsible Business Alliance (RBA)</i>; and request the suppliers to pass the RBA VAP review and Factory of Champions (FOC) certification • Extend the relevant requirements of internal ESG policies, including <i>Human Rights Policy</i>, <i>Environmental Affairs Policy</i> and <i>Climate and Energy Policy</i>, etc. to suppliers • Develop internal training programs and ESG training records for suppliers 	<p>Corporate governance</p> <ul style="list-style-type: none"> • Include the anti-corruption and anti-bribery requirements in relevant agreements <p>Society</p> <ul style="list-style-type: none"> • Reduce the risks of forced labor and child labor • Safeguard personal and family well-being of suppliers' employees • Support initiatives for the responsible minerals and avoid using the conflict minerals <p>Environment</p> <ul style="list-style-type: none"> • Carry out actions in response to climate changes and actively join in SBTi or set science-based carbon target • Implement water resource and waste management and provide relevant data • Prioritise environment-friendly materials 	<ul style="list-style-type: none"> • Evaluated 78 suppliers following the process that covered the ESG management requirements • 71 suppliers, collectively contributing above 50% procurement amount, accepted the RBA enterprise-level review; suppliers who accounted for 87% procurement amount passed the VAP certification; and suppliers who accounted for 6% procurement amount passed the FOC certification • Used the EcoVadis IQ Plus tool to screen 457 suppliers, accounting for 83.1% of all manufacturing suppliers • Adopted the Cobalt Report Template (CRT) and Responsible Mineral Assurance Procedure (RMAP) to conduct the due diligence for the cobalt supply chain • Suppliers who accounted for 28% procurement amount promised to join in SBTi or set the science-based carbon target

4. FULFILLING THE FAIR AND SHARED RESPONSIBLE OPERATION

Subsidiary	Management mechanism	Concerned areas	Main measures and achievements during the Reporting Period
Raycom	<ul style="list-style-type: none"> Formulate <i>Methods for Supplier Management, Technical Standards and Requirements</i> for engineering suppliers, etc. to enhance the green and environment protection management of suppliers 	Environment <ul style="list-style-type: none"> Suppliers' construction materials comply with the relevant requirements of the national green and environment protection and harmful substance limit standards The design and construction of relevant project comply with the requirements of WELL Platinum Certification 	<ul style="list-style-type: none"> Continuously incorporated environment-related requirements such as green materials and green construction into the requirements such as procurement and construction management requirements of relevant suppliers
Levima Advanced Materials	<ul style="list-style-type: none"> Include the requirements for suppliers' environment management and employees' rights and interests in the <i>Methods for Supplier Management</i> Include the environmental protection requirements in the procurement contract and <i>Technical Agreement</i> during the procurement Formulate the workflow and set up the working team against emergency incidents to resolve the environmental, social and security risks of the supply chain 	Corporate governance <ul style="list-style-type: none"> Include the integrity requirements in the level-to-level management system of suppliers Society <ul style="list-style-type: none"> Establishment and certification of occupational health and safety management system of suppliers Environment <ul style="list-style-type: none"> Establishment and certification of supplier environmental management system Products and services provided by supplier meet the relevant environmental protection requirements 	<ul style="list-style-type: none"> Integrated environmental and social criteria in supplier appraisal audits

Subsidiary	Management mechanism	Concerned areas	Main measures and achievements during the Reporting Period
BIL	<ul style="list-style-type: none"> Formulate the <i>Sustainable Procurement Policy</i> and <i>Guide To The Implementation of Corporate Social Responsibility Policy By Suppliers</i> and incorporate the relevant requirements into the sustainable management of suppliers Boost the procurement of environment-friendly products and services through long-term investment, beneficial payment terms, pay for performance, public recognition evaluation, sharing learning and resources, etc 	<p>Corporate governance</p> <ul style="list-style-type: none"> Avoid unfair competition behaviors in the bid invitation and other activities Avoid interest conflicts with other suppliers <p>Society</p> <ul style="list-style-type: none"> Respect codes related to human rights and labor rights Implement the occupational health and safety policies <p>Environment</p> <ul style="list-style-type: none"> Reduce the consumption of non-renewable resources, energy and water Implement the emission and waste management Control the greenhouse gas emission 	<ul style="list-style-type: none"> Inclusion of the <i>Guide To The Implementation of Corporate Social Responsibility Policy By Suppliers</i> in all new supplier agreements and contract renewals, with a current coverage rate of approximately 10% of suppliers responding and committing to the relevant principles 2 ESG-related training sessions for procurement teams were conducted to enhance their ESG and sustainability management capabilities

4. FULFILLING THE FAIR AND SHARED RESPONSIBLE OPERATION

INFORMATION SECURITY AND PRIVACY PROTECTION

Legend Holdings and its subsidiaries strictly abide by *Data Security Law of the People's Republic of China*, *Personal Information Protection Law of the People's Republic of China* and EU's *General Data Protection Regulation* (GDPR) and the requirements of regulations and cross-border regulations applicable to their operating places, and promote the construction of information security and privacy protection system, practically safeguarding the information and privacy security of themselves and their employees, clients, consumers and other stakeholders. During the Reporting Period, Legend Holdings and its subsidiaries were never punished by the administrative authorities for violation of relevant information security and privacy protection laws and regulations, or involved in other relevant lawsuits or controversial incidents.

Information Security

Legend Holdings formulates and gradually improves *Information System O&M and Security Management Regulations*, *Information System and Client Management Regulations*, *Server Room Management Regulations*, *Management Measures for Implementation of IT Project*, *Information System Data Security Management Standard*, etc., forming a reliable and sound information security management system through the fine management from the perspective of system security, client security, data security and application system security. In 2022, Legend Holdings completed the construction and assessment of its official website's system that passed the level-III national information classified security protection certification, and engage third-party professional institutions to carry out information security assessment of important internal information systems, further enhancing system security comprehensively.

Information Security Management System of Legend Holdings



Legend Holdings and its subsidiaries also highlighted safeguarding the information security and protecting their own, the clients' and consumers' information and data security through the construction of management system and targeted protection measures.

Information Security Management Practices of Legend Holdings and Its Subsidiaries

Subsidiaries	Information security system	Main measures and achievements during the Reporting Period
Lenovo	<p>Extensive user data security strategy:</p> <ul style="list-style-type: none"> • Data processing: Set up data security center and provide the industry-leading data backup and recovery technologies • Cloud service: Construct multi-cloud management and data center, and research and launch personal cloud storage products to protect the data of enterprises and individual users in an all-round manner • Intelligent device: resist the invasive behaviors effectively by high-reliability hardware, intelligent algorithm, etc. <p>Information security management of operation by itself:</p> <ul style="list-style-type: none"> • Carry out the information security management system construction and certification of data center in accordance with the requirements of ISO/IEC 27001 • Deploy the third-party professional data platform, realising the efficient analysis of IDS logs, firewall logs, etc. and safeguarding the data, network and business security 	<ul style="list-style-type: none"> • Released the cloud-edge-terminal integrated secure office solution “Super Cloud Desktop” based on the Lenovo’s edge computing platform, which met the industrial users’ core demands for the unified deployment, data security and centralized control of IoT terminals • The information security management system of Lenovo (Beijing) Co., Ltd. passed the certification of ISO/IEC 27001:2013 and was awarded the corresponding certificate • Developed and promoted the information security training program, and the training of basic information security knowledge covered 99% employees who used computers
Raycom	<ul style="list-style-type: none"> • Formulate systems, such as <i>Information System O&M and Security Management Regulations</i> and <i>Information System and Client Management Regulations</i> • Update the firewall, access equipment and other information equipment, including software and hardware in time 	<ul style="list-style-type: none"> • Engaged a professional third party to carry out the information security routine inspection and evaluation, and issued the <i>Sangfor Equipment Operation Report</i>

4. FULFILLING THE FAIR AND SHARED RESPONSIBLE OPERATION

Subsidiaries	Information security system	Main measures and achievements during the Reporting Period
Levima Advanced Materials	<ul style="list-style-type: none"> Formulate <i>Information System Management Measures</i> Implement server room environment management, periodical routine inspection of equipment, and cross-machine and cross-district backup of core data Conduct the log analysis for gateway and behavior manager Develop employees' information and data access rules and strictly manage their behaviors of using the desktop information 	<ul style="list-style-type: none"> Reinforced the security strategy and enhanced the email system protection Organised the sharing of data network security knowledge and improved the employees' awareness of data security
BIL	<ul style="list-style-type: none"> Formulate the <i>Personal Data Protection Charter, Personal Data Protection Policy</i> and data protection statements for clients in accordance with the relevant requirements of GDPR Set up the ICT & Security Risk Committee and the Data Protection team that undertake the cybersecurity risk management and data protection under the guidance of ICT and safety risk management framework Reduce cybersecurity risks via protection technologies, the internal control guarantee scheme and cybersecurity audit 	<ul style="list-style-type: none"> Deployed data leakage prevention solutions and annually updated the network safety solutions Annually reported the progress of ICT and safety risk management to the board of directors and revised relevant regulations Included the data protection awareness module in the training plan for employees and organize 254 online training sessions on GDPR and 305 online training sessions on cyber security

Privacy Protection

As a part of the overall information and data management system, Legend Holdings and its subsidiaries emphasize the privacy protection of their own employees and other stakeholders on the value chain, especially the privacy protection of clients and consumers during businesses and activities that involved information collection and use.

In 2022, Lenovo continued to implement its global privacy protection plan, and devoted itself to

responsibly using and protecting the identifiable information of client, consumers, employees and partners. BIL strictly restricts the data treatment behaviors related to privacy in accordance with the *Personal Data Protection Policy*, includes new privacy by default in the regulations for data treatment and conducts the impact evaluation for the treatments with high human right risks, ensuring the legal, secure and transparent use of the private data of clients and other stakeholders within the minimum possible scope.

Lenovo: global privacy protection plan

Under the guidance of the global privacy protection plan, Lenovo continuously establishes and maintains its privacy protection policies, processes, training programs and other mechanisms and resources. Led by the Legal Affairs Department of Lenovo, the plan integrates the resources of multiple departments in charge of information security, product security, product development, marketing, e-commerce, service and repair and covers the privacy protection of global clients, website visitors, product users and employees. Its key points for implementation include:

Policies



- Formulate the privacy guidelines suitable for itself according to the global privacy protection requirements
- Continuously update privacy policies, including *Website Privacy Statement*, *Product Privacy Statement*, *Personal Information Protection Rules for Children* etc.
- Include the privacy and security terms in the supplier and partner contracts and agreements

Management structure

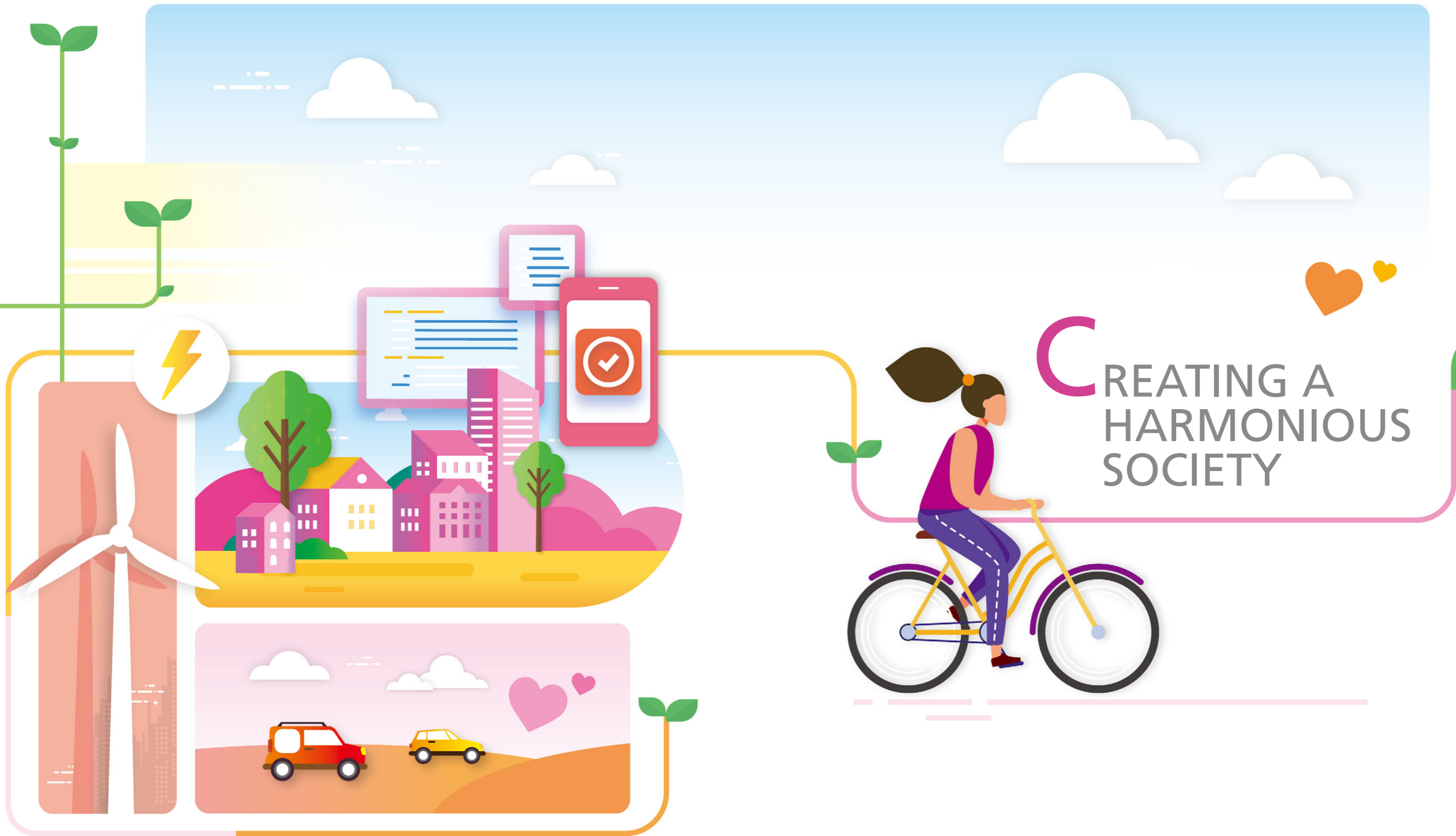


- Establish the cross-department privacy protection working team, regularly hold the meetings against privacy policy, process and external regulations and regularly report the management progress to the general legal counsel and chief security officer
- The privacy protection plan team, chief security office, chief information security office and product security team jointly implement the privacy and security accident reporting mechanism

Protective measures



- Include the privacy impact evaluation in the product development plan
- Carry out privacy compliance review before the launch of product, software, service, website, marketing plan, internal system and supplier relationship
- Coordinate the internal and external resources in response to clients and other applicable personal privacy requests
- Provide privacy protection training, internal portal, guiding documents, etc. to employees



CREATING A
HARMONIOUS
SOCIETY

5. CREATING A HARMONIOUS SOCIETY

Legend Holdings sticks to its mission as a corporate citizen, incorporates public welfare into the overall enterprise strategy, focuses on the social development demand, and assists in rural revitalisation and technological innovation, promotes social integrity and provides help within its reach to the local communities, striving to realise the creation of both commercial and social values and making every effort to build a harmonious society.

EMPOWERING THE RURAL REVITALISATION

Legend Holdings pays attention to, energetically supports the rural revitalisation and technological innovation strategies put forward by the country and takes continuous actions in the development of rural talent, support of women and cultivation of technological talent.

The Company sets up the Legend Advancing Education Fund and “Legend Progress Class” and continuously initiates the education-related public welfare activities which aimed to help excellent students from poor families pursue higher education. Besides, Legend Holdings takes into account the actual employment problem of rural women and cooperates with China Women’s Development Foundation to support the employment and entrepreneurship of women in difficult situations and empower the rural revitalisation.

PROMOTING TECHNOLOGICAL INNOVATION

In addition, with regards to cultivation of technological talent, Legend Holdings utilises its own business advantages and abundant resources and actively holds public welfare activities with the theme of technological innovation, which cultivated numerous technological entrepreneurial leaders, boosts the industrialization of scientific and technological achievements and promotes the long-term development and technological reform of the society. (for details of the project, refer to “Special Topic 1 Responsibility – Serving the Country through Industries” of the Report)

PROMOTING SOCIAL INTEGRITY

Legend Holdings adheres to the public welfare concept of “Being a good person, doing good deeds and setting a model for the society”. It proactively responds to the social demand, promotes the social integrity and continuously offers the social help and support.

In 2004, Legend Holdings and its founder, Mr. Liu Chuanzhi, jointly set up the “Legend Capital Heroic Models and Courageous Persons Special Fund (聯想首都英模暨見義勇為人士專項基金)” with the aim of helping and assisting Beijing’s heroes and martyrs, as well as the courageous persons themselves and their families, in order to promote social justice and moisten the air in society. The project continues in 2022.

On this basis, Legend Holdings further targets its support at ordinary people, focusing on and supporting good Samaritans across the country. Since 2013, Legend Holdings has been sponsoring the “Moisture Action” public welfare project every year, giving certain rewards or support to mortal heroes and caring people who have been injured while rescuing others.

SUPPORTING SOCIAL WELFARE

Legend Holdings and its Subsidiaries adhere to the pursuit of good life, respect the principle of “systematic design and long-term persistence” and provide the funds, materials and technologies within their reach to the society for remediation against natural disasters, COVID-19 prevention and control, education and child care and medical services.

Besides, the Company advocates helping others with pleasure and supports the employees’ active engagement in voluntary actions to help more people. Based on its own resources, the Company boosts the improvement of infrastructure of the surrounding communities and helps the underdeveloped island communities restore their ability to balance production and ecology, improving the residents’ living quality.

Main Public Welfare Activities of the Subsidiaries of Legend Holdings in 2022

Lenovo	<ul style="list-style-type: none"> • Provided humanitarian aids to multiple countries and regions, including funds, materials and IT supports to the post-disaster reconstruction (natural disasters, such as the earthquake and flood), COVID-19 prevention and control and COVID-19 vaccination of China, Brazil, India and Germany and assistance to European refugees. • Lenovo launched the “Love on” platform to expand the formal employees’ donations and volunteers’ welfare. During the Reporting Period, Lenovo’s employees completed 83,436 hours’ voluntary services.
Levima Advanced Materials	<ul style="list-style-type: none"> • As an enterprise engaged in the “Shandong Province and Qinghai Province Are One Family” donation program organised by Shandong Enterprise Confederation and held in Yaobacao Village, Quankou Town, Menyuan County, Haibei prefecture of Qinghai, donated grants to 10 impoverished local students who had been admitted to universities.
BIL	<ul style="list-style-type: none"> • Supported the scientific research projects, including cancer, rare disease and autism research, organized by 10 public welfare foundations in medical field and donated Euro50,000. • BIL participated in the volunteer work organized by the cancer foundations, children’s charity organizations, etc. through the internal association named “BIL Volunteering”.
Raycom	<ul style="list-style-type: none"> • Continuously provided high-quality property management services to promote the improvement of community infrastructure, installed AED facilities in relevant communities and trained the first-aid personnel, set up “mini fire station” and cooperated with the local government to actively carry out the anti-fraud activities and protect the property security of residents in the communities.

5. CREATING A HARMONIOUS SOCIETY

Lenovo: boost island protection and promote “Work for Humankind”

Lenovo initiates the “Work for Humankind” project and, taking advantage of its advanced technical means, has invited the volunteers around the world to jointly support the construction of island communities and promote the continuous implementation of the protection projects.

Robinson Crusoe Island is one of the regions with the most diverse ecological systems all over the world, but it faces many challenges, such as difficult access to educational and medical resources, deterioration of habitats and species invasion. Through the cooperation with the non-profit island protection organisations and Robinson Crusoe island community, Lenovo has contributed to the island protection and community construction. In addition, Lenovo’s technological capability has helped the volunteers all over the world carry out the remote voluntary actions, which allows more volunteer groups to participate with a bigger influence regardless of where they are.

In 2022, the “Work for Humankind” project achieved the following progresses with the voluntary service stage completed:

1. **Helped the island community fill the digital gap:** increased the Internet connection speed from 1 Mbps to 200 Mbps; about 30% residents on the island benefited from the Lenovo’s data center which created new jobs for the community and provided trade, tourism and IT learning opportunities; and the island community was able to use the Internet freely and fairly, which was its most significant progress in connection to the outside world in the past 20 years.
2. **Upgraded local protection projects for the rare species and ecosystem:** Enhanced the protection of 7 extremely endangered species; and Lenovo’s AI servers helped the field personnel detect the invasive species more efficiently, significantly reducing the workload and working hours of the island protection organisation and local environmentalists.
3. **Professional volunteers gave full play to their expertise and organised trainings of nearly 1,000 hours, bringing new technology and knowledge to the island community:** Autonomously improved the local grain supply ability and plastics and waste management; and governed the island community with digital tools and strategies, providing new remote or remote-offline jobs.

Raycom: promoting arts and culture in communities

Raycom irregularly held creative markets and exhibition activities to build the artistic atmosphere in communities and enrich the residents' life. During the Reporting Period, Raycom held totally 12 art, painting, sculpture and dancing exhibition and experience activities.

In December 2022, Raycom held the "Voices from the Past" vinyl record exhibition, sharing "slow-paced" songs in the fast-developing society. The exhibition consisted of three parts, namely introduction to the history of disc, graffiti & DIY of vinyl discs and exhibition of discs & disc players. The whole process was accompanied by the playing of classic vinyl disc music, immersing visitors in the charm of music.



"Swing dance" flash performance and experience class



"Voices from the Past" vinyl record exhibition



Exhibition of privately collected manuscripts, picture books and woodblock paintings

QUANTITATIVE PERFORMANCE TABLE

CORPORATE GOVERNANCE PERFORMANCE

Economic Performance

Indicators	Unit	2020	Legend Holdings		Raycom 2022	Levima Advanced Materials 2022	BIL 2022	Lenovo FY2021/22
			2021	2022				
Revenue ¹	RMB10,000	41,756,685.30	48,987,167.70	48,366,269.70	77,291.46	815,699.07	475,864.10	45,400,798.74

- ¹ The financial data of Legend Holdings corresponds to its revenue in the annual report and covers the same scope as the consolidated financial statements. The revenue of Lenovo corresponds to its financial data for the 2021/22 fiscal year. In order to ensure the consistency of data calculation and the validity of indicators, all data related to "calculated by operating income" in the density index are calculated based on the total revenues of Raycom, Levima Advanced Materials and BIL, so as to be consistent with the coverage of the corresponding data of the numerator index as much as possible.

Business Ethics

Indicators	Unit	Legend Holdings		BIL 2022
		2021	2022	
Percentage of employees receiving anti-corruption training ¹	%	/	/	100
Average number of hours employees receive anti-corruption training ¹	Hour	/	/	2.24
Percentage of directors receiving anti-corruption training ²	%	100	100	/
Average number of hours directors receive anti-corruption training	Hour	1	1	/
Number of compliance assessments for the Board of Directors ³	Count	/	/	7

- ¹ The coverage of anti-corruption training data for employees of BIL includes headquarters, branches and subsidiaries operating in Luxembourg.
- ² The anti-corruption training received by the Board of Directors of Legend Holdings refers to the integrity education received by members of the Board of Directors of Legend Holdings.
- ³ In 2022, the compliance assessment conducted by BIL for the Board of Directors includes individual suitability assessments for board members prior to their term renewal, annual assessments of time commitments and authorization restrictions for all board members, reviews of the board's diversity goals and status, as well as meetings on the efficiency of the board's work.

SOCIAL PERFORMANCE

Note: The scope of data for social performance in 2022 is Legend Holdings and its subsidiaries (excluding Lenovo). 2022 has been retrospectively updated for the total number of employees and the related number of employees in 2021, based on the data disclosed in the current year. "/" represents uncounted indicators.

Recruitment and Employment

Indicator	Unit	2021	2022
Total number of employees	Person	19,376	19,336
By employment type			
Full-time employees	Person	17,182	17,915
Part-time employees ¹	Person	2,194	1,421
By gender			
Male	Person	9,092	9,373
Female	Person	10,284	9,963
By age			
Below 21 years old	Person	204	166
21-30 years old	Person	5,003	5,075
31-40 years old	Person	6,577	6,743
41-50 years old	Person	4,536	4,482
Above 50 years old	Person	3,056	2,870
By region			
Chinese Mainland	Person	14,819	14,601
Hong Kong, Macau, and Taiwan	Person	28	30
Europe	Person	1,815	1,890
Other areas	Person	2,714	2,815
Labor contract signing rate	%	/	100.00
Social insurance coverage ²	%	/	97.37
Number of human rights and compliance employee complaints investigated ³	-	/	1
Number of employees participating in anti-discrimination related training	Person	/	965
Number of hours employees participated in anti-discrimination training	Hour	/	508

^{1.} In 2022, Better Education Group Corporation (三育教育集團股份有限公司) ("Better Education"), a subsidiary of Legend Holdings, transferred out of nearly 20 kindergartens, and due to the impact of the epidemic, the number of part-time employees decreased.

^{2.} In 2022, employees of Better Education included foreign teachers, Taiwanese nationals, part-time consultants who had not purchased social security.

^{3.} In 2022, Joyvio Group Co., Ltd (佳沃集團有限公司) ("Joyvio Group") received one complaint due to historical social security issues at the factory and the company has compensated the employee and resolved the matter appropriately.

QUANTITATIVE PERFORMANCE TABLE

Employee turnover

Indicator	Unit	2021	2022
Turnover rate ¹	%	/	28
By gender			
Male	%	25	20
Female	%	50	36
By age			
Below 21 years old	%	27	39
21-30 years old	%	13	35
31-40 years old	%	9	26
41-50 years old	%	7	24
Above 50 years old	%	9	26
By region			
Chinese Mainland	%	43	29
Hong Kong, Macau, and Taiwan	%	18	7
Europe	%	14	17
Other areas	%	6	33

¹. The calculation method of employee turnover rate: Employee turnover rate = Number of employees lost in the year/0.5*(Total number of employees at the beginning of the year + Total number of employees at the end of the year) × 100%.

Occupational Health and Safety

Indicator	Unit	2021	2022
Working days lost due to work-related injury ¹	Day	2,656	2,261
Work-related death rate ²	%	0.00	0.00
Percentage of employees on health and safety training ³	%	/	70.91
Average training hours completed per employee on health and safety ⁴	Hour	/	20.25

1. In 2022, Joyvio Group is involved in animal farming business. The majority of employees in this business line are frontline processing plant and farm workers, and there is a risk of accidental injury in the course of the workers' work environment, and as the results, Joyvio Group has compensated the employees based on a work injury determination. In addition, we have backdated the 2021 data based on feedback update from Joyvio Group.

2. Work-related death rate = Deaths at work/Total number of employees × 100%.

3. Percentage of employees on health and safety training = Number of employees on health and safety training/Total number of employees × 100%.

4. Average training hours completed per employee on health and safety = Total Training hours of employees on health and safety/Total number of employees on health and safety related training × 100%.

Employee Training and Development

Indicator	Unit	2021	2022
Training coverage rate of employees ¹	%	100.00	97.99
By gender			
Male ²	%	60.36	46.78
Female	%	39.64	53.22
By grade			
Senior managers	%	2.26	1.93
Middle managers	%	13.17	10.48
Junior managers	%	84.56	87.35
Average training hours per employee ³	Hour	/	32.26
By gender			
Male ⁴	Hour	6.08	40.58
Female	Hour	4.25	24.45

1. Training coverage rate of employees = Total number of employees trained/Total number of employees × 100%.

2. Percentage of employees in a category receiving training = Number of employees trained in this category/Total number of employees trained × 100%.

3. Average training hours per employee = Total training hours of employees/Total number of employees × 100%.

4. Average training hours for a category of employees = Total training hours of employees in this category/Number of employees trained in this category × 100%. In 2022, all subsidiaries of Legend Holdings strengthened internal staff training, and the per capita training time of employees increased significantly.

QUANTITATIVE PERFORMANCE TABLE

Supply Chain Management¹

Indicator	Unit	2021	2022
Total number of suppliers	–	1,179	10,070
Chinese Mainland	–	1,176	5,967
Hong Kong, Macau, and Taiwan	–	1	25
Europe	–	0	1,697
Other areas	–	2	2,381
Number of suppliers conducting ESG/CSR/sustainability assessments	–	/	288

¹ In 2022, the scope of data on supply chain management is expanded to include Legend Holdings and its subsidiaries (excluding Lenovo). In 2021, data is only disclosed separately for Legend Holdings Headquarters, Levima Advanced Materials and Raycom.

Customer Relationship Management

Indicator	Unit	2021	2022
Total number of cases violating health and safety regulations and voluntary guidelines related to products and services ¹	%	/	0.90
Number of complaints received about products and services	Cases	485	1,137
Complaint handling rate for products and services received ²	%	100	100
Total number of confirmed incidents of IPR infringement	Cases	0	0
Number of complaints arising from breaches of customer information security and privacy protection regulations and loss of customer data	Cases	0	0

¹ In 2022, the value of this indicator is only generated by Joyvio Group, within the scope of the social performance table, neither Legend Holdings nor its other subsidiaries (excluding Lenovo) have any product recall-related events or are mainly involved in the provision of services and are not involved in the manufacture of products. Joyvio Group is involved in the frozen seafood business and seafood products are subject to temperature changes during transportation, which affects quality and quantity. Customers have rejected these products from a food safety perspective and Joyvio Group has properly resolved the issue in accordance with internal regulations.

Social Good and Voluntary Action

Indicator	Unit	2021	2022
Total charitable donations	RMB 10,000	/	13,400
Organising volunteer activities	–	/	103
Number of participants in volunteer events	person-time	/	2,490
Total cumulative hours of volunteer activity	Hour	/	11,291

ENVIRONMENTAL PERFORMANCE

Note: In terms of environmental performance, Legend Holdings' various indicators correspond to the statistical range of data from 2020 to 2022, which includes Raycom (including Legend Holdings headquarters), Levima Advanced Materials, and BIL. The corresponding data for various indicators of Lenovo came from its 2021/22 fiscal year, and the data coverage was detailed in the *Lenovo 2021/22 Environmental, Social, and Governance Report*; due to the inconsistency between the time range of this report and that of this report, the corresponding data was not consolidated into Legend Holdings' 2022 annual performance; and if the disclosure method and accuracy of the disclosed data are inconsistent with the ESG report for the 2021/22 fiscal year, the ESG report shall prevail.

Energy Management¹

Indicators	Unit	Legend Holdings			Raycom	Levima	BIL	Lenovo
		2020	2021	2022	2022	Advanced Materials 2022	2022	FY2021/22
Total energy consumption ²	MWh	1,917,167.58	26,991,564.00	16,680,962.04	46,514.69	16,622,690.37	11,756.97	376,246
Direct energy consumption ³	MWh	1,342,544.68	26,221,333.34	15,937,769.39	2,457.64	15,931,630.72	3,419.12	24,546
Coal ⁴	ton	238,160.89	1,800,412.80	1,831,618.94	0	1,831,618.94	0	0
Natural gas	m ³	1,092,183	935,875	658,389	226,144	73,884	358,361	1,997,303
Coal gas	m ³	5.50	48.32	0	0	0	0	0
Gasoline ⁵	Liter	26,055	74,066	61,738	29,582	32,156	0	168,525
Diesel ⁶	Liter	74,209.94	317,530.35	262,101.52	1,200	253,572	7,330	1,593
Indirect energy consumption ⁷	MWh	574,622.90	770,230.66	743,192.65	43,795.15	691,059.65	8,337.85	351,700
Purchased electricity ⁸	MWh	574,622.90	762,720.65	736,141.82	36,744.32	691,059.65	8,337.85	323,662.78
Self-built photovoltaic power generation	MWh	0	0	0	0	0	0	9,360
Purchased steam ⁹	GJ	0	0	0	0	0	0	62,213
Purchased heat	GJ	/	27,036	25,383	25,383	0	0	5,023
Energy consumption from renewable sources ¹⁰	MWh	0	6,463.56	8,337.85	0	0	8,337.85	9,360
Energy consumption density ¹¹								
By revenue	MWh/ RMB10,000	1.74	20.98	12.19	0.60	20.38	0.03	8.29×10 ³
By area	MWh/m ²	/	/	/	0.192	N/A	0.235	N/A

QUANTITATIVE PERFORMANCE TABLE

1. Data coverage in 2022: Raycom's data covered the Raycom Info Tech Park (including Legend Holdings headquarters), including public areas, office buildings with operational control, and commercial rental areas; Levima Advanced Materials' data covered Levima Advanced Materials and its subsidiary Levima Chemical (Levima Chemical's related data had been consolidated into the unified management scope of Levima Advanced Material since 2021, and the 2020 data only covered Levima Advanced Materials); BIL's data covered its headquarters and branches (branch data newly included compared to the previous year); Lenovo's data coverage can be found in its ESG report for the 2021/22 fiscal year; in addition, the energy types and statistical methods included in Lenovo's energy measurement are also different from other subsidiaries. Only basic information is provided here, and detailed information can be found in its ESG report for the 2021/22 fiscal year;
2. Based on the availability level of data, the total energy consumption is calculated as the sum of "direct energy consumption" and "indirect energy consumption", which may differ from the comprehensive energy consumption values obtained by calculating all actual primary/secondary energy consumption and working fluids according to the *General Rules for Calculation of Comprehensive Energy Consumption* (GB/T 2589-2020). This is a new indicator for the year 2022, and the total energy consumption (including direct and indirect energy consumption) from 2020 to 2021 was retrospectively calculated using the same methodology. The decrease in total energy consumption of Legend Holdings in 2022 was mainly due to the decrease in total coal consumption of Levima Advanced Materials and the significant decrease in total natural gas consumption (supplemented by the use of by-product fuel gas).
3. The types of direct energy (fuel) included in the calculation include coal, natural gas, gasoline, diesel, and coal gangue used by Levima Advanced Materials; in addition, Levima Advanced Materials' use of a small amount of fuel gas and liquefied petroleum gas has not yet been included in the disclosure scope.
Among them, Raycom selects the lower heating value of the fuel referring to the *China Energy Statistical Yearbook 2021* (the upper limit value in the reference range of natural gas); the Levima Advanced Materials' internal value is taken as its lower heating value of the fuel; the selection of the lower heating value of the fuel for BIL is based on EU energy in figures – *Statistical Pocketbook 2022* and COMMISSION IMPLEMENTING REGULATION (EU) 2018/2066, while the density of natural gas is based on US DOE/EIA at 0.7kg/m³ (the quantification results may differ from the internally confirmed statistical calculation values, subject to the disclosed values in the sustainability report separately released by BIL in the future);
4. Coal consumption includes the power coal (brown coal) and raw coal (washed coal) used by Levima Advanced Materials, excluding the consumption of coal gangue as supplementary fuel;
5. The total amount of gasoline consumption corresponds to the total amount of gasoline consumed by each subsidiary's own vehicles during operation. In consolidating historical data of Legend Holdings, the total gasoline consumption of Levima Advanced Materials in 2021 was retrospectively updated based on statistical data from the Administrative Department;
6. The total diesel consumption includes the total amount of diesel consumed by each subsidiary's own vehicles during operation, the consumption by Raycom's diesel backup generators during operation, and the consumption by Levima Advanced Materials' boiler and forklift. Raycom's diesel consumption is estimated based on its diesel backup generator unit model and historical operating conditions. In consolidating historical data of Legend Holdings, the total diesel consumption of Levima Advanced Materials in 2021 was retrospectively updated based on the Administrative Department and financial statistics;
7. The types of indirect energy (non-fuel secondary energy) calculated include purchased electricity, self-built photovoltaic power generation, purchased steam, and purchased heat;
8. In consolidating Legend Holdings' historical data, Levima Advanced Materials' data of purchased electricity for 2021 was retrospectively updated based on the corresponding statistical values when conducting greenhouse gas accounting;
9. During the reporting period, Levima Advanced Materials' steam consumed sources from those generated by its own coal combustion, and no steam has been purchased; Levima Chemical supplies some steam for external use, with a supply volume of approximately 13,110 tons;
10. From 2021 to 2022, Legend Holdings' renewable energy consumed referred to the renewable electricity (mixed source, ecological electricity + hydropower) used by BIL;
11. Based on the newly disclosed "total energy consumption" indicator in 2022, the corresponding data for the "energy consumption density" indicator had been disclosed as updated this year, and the energy consumption density from 2020 to 2021 had been retrospectively updated according to the same methodology.
Density data calculated based on operating income may not necessarily comprehensively characterize and track the emission performance of subsidiaries under actual operating conditions. Therefore, non-production enterprises such as Raycom and BIL need to collect and disclose greenhouse gas emission density data calculated based on operating area for meaningful comparison and analysis; Legend Holdings is not applicable to calculation of density values based on total operating area, so the corresponding indicators are marked with "/". Among them, the operating area of Raycom in 2022 was calculated based on the total building area of Blocks A, B, and C of Raycom Info Tech Park (including public areas and office buildings with operational control and commercial rental areas, including Legend Holdings headquarters) (i.e. 242,494 m²), while the operating area of BIL was calculated based on the total net internal area of its headquarters, branches, and subsidiaries operated in Luxembourg (i.e. 50,406 m²); the data related to density indicators 'calculated by operating area' were the same below.

Greenhouse Gas Emissions¹

Indicators	Unit	2020	Legend Holdings 2021	2022	Raycom 2022	Levima Advanced Materials 2022	BIL 2022	Lenovo FY2021/22
GHG emissions ²	tCO ₂ e	1,107,579	3,741,106	3,715,571	24,304.21	3,690,571.78	695.24	197,847
GHG emissions in Scope 1 ³	tCO ₂ e	609,145	3,071,620	3,060,493	556.79	3,059,240.81	695.24	6,069
GHG emissions in Scope 2 ⁴	tCO ₂ e	498,434	669,487	655,078	23,747.42	631,330.97	0	191,778
GHG emission density								
By revenue	tCO ₂ e/RMB million	100.44	290.79	271.44	31.44	452.44	0.146	0.436
By area	tCO ₂ e/m ²	/	/	/	0.100	N/A	0.014	N/A
GHG emission density in Scope 1								
By revenue	tCO ₂ e/RMB million	55.24	238.75	223.58	0.72	375.05	0.146	0.013
By area	tCO ₂ e/m ²	/	/	/	0.002	N/A	0.014	N/A
GHG emission density in Scope 2								
By revenue	tCO ₂ e/RMB million	45.20	52.04	47.86	30.72	77.40	0	0.422
By area	tCO ₂ e/m ²	/	/	/	0.098	N/A	0	N/A

QUANTITATIVE PERFORMANCE TABLE

1. Data coverage in 2022: The greenhouse gas emissions data of subsidiaries are consolidated in accordance with the Operation Control Rights Law. Among them, Raycom's data covered the Raycom Info Tech Park (including Legend Holdings headquarters), including public areas, office buildings with operational control, and commercial rental areas; Levima Advanced Materials' data covered Levima Advanced Materials and its subsidiary Levima Chemical (Levima Chemical's related data had been consolidated into the unified management scope of Levima Advanced Materials since 2021, and the 2020 data only covered Levima Advanced Materials); BIL's data covered its headquarters and branches (branch data newly included compared to the previous year); Lenovo's data coverage can be found in its ESG report for the 2021/22 fiscal year;
2. The total amount of greenhouse gas emissions includes those in scope 1 and scope 2. Due to the different industries and business types of subsidiaries, the types of emission sources included in calculation of greenhouse gas emissions may also vary. Therefore, the changes in this data may not necessarily fully correspond to the changes in energy consumption as follows (for example, Levima Advanced Materials has included emissions caused by industrial production processes in its internal accounting process, and its total emissions in 2022 have increased compared to the approved value for the previous year). In addition, the scope of data statistics for some subsidiaries has expanded compared to the previous year, resulting in a slight decrease in Legend Holdings' total greenhouse gas emissions;
In addition, BIL and Lenovo have also conducted accounting for material scope 3 (indirect value chain) emissions. BIL has entrusted third-party institutions to account for its scope 3 emissions since 2021, including emissions related to employee commuting, capital products, purchased goods and services, and financing emissions. The accounting results in 2022 will be available in 2023; Lenovo has disclosed its scope 3 accounting data since the 2017/18 fiscal year, which includes: business travel, upstream transportation and distribution, waste treatment, employee commuting, purchased goods and services, fuel and energy related activities (not included in scope 1 or 2), use of sold products, disposal of sold products, capital products, and other categories. The accounting results were detailed in its ESG report for the 2021/22 fiscal year;
3. The greenhouse gas emissions for scope 1 of Raycom, Levima Advanced Materials, and BIL in 2022 were preliminary estimates, and the relevant data will be retrospectively updated after complete accounting is conducted and corresponding accounting reports/verification statements are obtained. In consolidating Legend Holdings' historical data, Levima Advanced Materials' greenhouse gas emissions data for scope 1 in 2020 and 2021 were updated to use its internal accounting results. BIL's greenhouse gas emissions data for scope 1 in 2021 have been retrospectively adjusted based on third-party accounting results;

Methodology, gas types, emission factors, and other parameter related information for calculating scope 1 greenhouse gas emissions:

- Raycom: Reference is given to ISO 14064-1:2018 and the *General Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprises* (GB/T 32150-2015) to calculate the fixed combustion of natural gas, the operation of diesel backup generators, and the emissions caused by the use of gasoline in self-owned transportation vehicles; the type of gas included in the calculation is CO₂; the calculation of emission factors for natural gas, diesel, and gasoline is based on the *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions by Enterprises – Power Generation Facilities* (2022), and the selection of the lower heating value is based on the *China Energy Statistical Yearbook 2021*; the densities of diesel and gasoline are 0.85 kg/L and 0.74 kg/L respectively based on US DOE/EIA;
- Levima Advanced Materials: Reference is given to ISO 14064-1:2018 and the *General Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprises* (GB/T 32150-2015) to calculate the emissions caused by fixed combustion of fuels, torch combustion, and industrial production processes; the type of gas included in the calculation is CO₂; the emission factors of fuel and emissions from torch combustion and industrial production process are calculated based on the *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions from Chinese Chemical Production Enterprises (Trial)* (2013), and the internal value is taken as its lower heating value of the fuel;
- BIL: Reference is given to ISO 14064-1:2018 and EMEP/EEA *Air Pollutant Emission Inventory Guidebook 2019* to calculate the fixed combustion of natural gas and the emissions caused by the use of diesel in self-owned vehicles; the type of gas included in the calculation is CO₂; the emission factors for natural gas are calculated based on COMMISSION IMPLEMENTING REGULATION (EU) 2018/2066, while the calculation of emission factors for diesel is based on the values of emission factors of road traffic fossil fuel in EMEP/EEA (2019) 1.A.3.b.iv (Tier 1 method); the densities of natural gas and diesel are 0.7kg/m³ and 0.85 kg/L respectively based on US DOE/EIA;
- 4. The greenhouse gas emissions for scope 2 of Raycom, Levima Advanced Materials, and BIL in 2022 were preliminary estimates, and the relevant data will be retrospectively updated after complete accounting is conducted and corresponding accounting reports/verification statements are obtained. In consolidating Legend Holdings' historical data, Levima Advanced Materials adjusted its greenhouse gas emissions data for scope 2 in 2020 and 2021 to adopt its internal accounting official results. BIL's greenhouse gas emissions data for scope 2 in 2021 have been retroactively adjusted based on third-party accounting results (the subsidiary has achieved 100% use of renewable electricity since 2021, so scope 2 greenhouse gas emissions have been adjusted to 0);

Methodology, gas types, emission factors, and other parameter related information for calculating scope 2 greenhouse gas emissions:

- Raycom: Reference is given to ISO 14064-1:2018 and the *General Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprises* (GB/T 32150-2015) to calculate indirect emissions caused by the purchased electricity and heat; the type of gas included in the calculation is CO₂; the emission factor of purchased electricity is taken as 0.5703 tCO₂/MWh in the *Notice on Doing a Good Job in 2023-2025 Reporting and Management of Greenhouse Gas Emissions of Power Generation Enterprises* (2023) issued by the Ministry of Ecology and Environment, and the emission factor of purchased heat is taken as 0.11 tCO₂/GJ in the *Guidelines of Accounting Methods and Reporting for Greenhouse Gas Emissions of Enterprises in Other Industrial Industries (Trial)* (2015); the heat of purchased heat is measured in joules based on the actual meter reading;
- Levima Advanced Materials: Reference is given to ISO 14064-1:2018 and the *General Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprises* (GB/T 32150-2015) to calculate indirect emissions caused by the purchased electricity; the type of gas included in the calculation is CO₂; the emission factor for purchased electricity is taken as the average emission factor of 0.8843 tCO₂/MWh for the North China regional power grid in 2012, as stated in the *Average Carbon Dioxide Emission Factor of Regional Power Grids in China in 2011 and 2012* (2014) issued by the National Development and Reform Commission;
- BIL: Due to 100% use of renewable electricity, scope 2 greenhouse gas emissions are calculated as 0.

Water Resource Management¹

Indicators	Unit	2020	Legend Holdings 2021	2022	Raycom 2022	Levima Advanced Materials 2022	BIL 2022	Lenovo FY2021/22
Total water withdrawal ²	m ³	5,299,317	12,188,297	15,322,900	229,141	15,071,959	21,800	1,567,000
Third-party water supply ³	m ³	/	/	322,270	229,141	71,329	21,800	N/A
Surface water	m ³	/	/	15,000,630	0	15,000,630	0	N/A
Total water consumption ⁴	m ³	/	/	/	/	8,346,806	N/A	98,000
Total drainage	m ³	/	/	/	/	6,725,153	N/A	1,469,000
Water intake density								
By revenue	m ³ /RMB10,000	4.81	9.47	11.19	2.96	18.48	0.05	0.03
By area	m ³ /m ²	/	/	/	0.09	N/A	0.44	N/A

1. Data coverage in 2022: Raycom's data covered the Raycom Info Tech Park (including Legend Holdings headquarters), including public areas, office buildings with operational control, and commercial rental areas; Levima Advanced Materials' data covered Levima Advanced Materials and its subsidiary Levima Chemical (Levima Chemical's related data had been consolidated into the unified management scope of Legend Holdings since 2021, and the 2020 data only covered Levima Advanced Materials); BIL's data covered its headquarters and branches (branch data newly included compared to the previous year); Lenovo's data coverage can be found in its ESG report for the 2021/22 fiscal year; Lenovo's data coverage can be found in its ESG report for the 2021/22 fiscal year;

2. The "total consumption of tap water" disclosed by each subsidiary in 2021 corresponded to the amount of tap water intake. In this year, it has been updated to disclose the total amount of tap water intake and data broken down by source of tap water intake. Due to the involvement of third-party water (municipal water supply) and surface water intake in Levima Advanced Materials, its total water intake was traced and adjusted during consolidation of Legend Holdings' 2021 data. The main reason for the increase in Legend Holdings' total water intake in 2022 was the increase in water intake demand caused by the organic growth and expansion of production capacity of Levima Advanced Materials; the surface water intake of the subsidiaries has obtained water intake permits from the local government authorities, and the total amount of water intake is within the planning and control range. In addition, Legend Holdings will further utilize the Aqueduct Water Risk Atlas tool of the World Resources Institute to track the water intake of its subsidiaries from areas under water pressure (currently carried out by Lenovo), and take development of corresponding management measures into consideration;

3. During the reporting period, the third-party water used by each subsidiary was municipal water supply;

4. The indicator is estimated using the following formula: total water consumption = total water intake – total drainage. Legend Holdings will further improve the data collection and traceability of water consumption of its subsidiaries to promote the attainment of water resource management goals.

QUANTITATIVE PERFORMANCE TABLE

Packaging Material Management¹

Indicators	Unit	2020	Legend Holdings 2021	2022	Raycom 2022	Levima Advanced Materials 2022	BIL 2022	Lenovo FY2021/22
Total amount of packaging materials used for finished products ²	ton	7,496	7,145	7,902	0	7,902.07	0	119,621
Density of finished packaging materials	ton/RMB million	0.0068	0.0056	0.0058	N/A	0.97	N/A	0.263

1. Data coverage in 2022: Levima Advanced Materials data only refers to Levima Advanced Materials, Levima Chemical does not involve the use of packaging materials; Raycom and BIL are non-production enterprises and do not provide physical products, so they do not involve the use of packaging materials; Lenovo's data coverage can be found in its ESG report for the 2021/22 fiscal year. During the reporting period, the performance of packaging material management has been adjusted to disclose two indicators: "total amount of used packaging materials for finished products" and "density of used packaging materials for finished products" in accordance with the Stock Exchange Guide.

2. The packaging material consumption (if any) of each subsidiary is estimated based on the original statistical data (such as the number) and corresponding unit quality of each type of packaging material used. Adjustments have also been made using the same conversion method when consolidating Legend Holdings' historical data. Among them, Levima Advanced Material's data includes the use of EVA photovoltaic film materials, PP high-end materials, EOD and other corresponding packaging materials; Lenovo's data includes the use of packaging materials for its laptops, desktops, servers, workstations, monitors, smartphones, tablets, and accessories. The main reason for the increase in the total consumption of packaging materials by Legend Holdings in 2022 was the increase in demand for product and material packaging due to the organic growth and increased production of Levima Advanced Materials.

EMISSIONS AND WASTE MANAGEMENT

Total Emissions of Atmospheric Pollutants¹

Indicators	Unit	Raycom			Levima Advanced Materials			BIL		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
NO _x ²	kg	1,176.89	437.34	421.83	86,660	176,805	171,986	51.04	22.60	38.03
SO ₂ ³	kg	288.19	92.72	90.46	23,730	46,670	49,221	0.11	0.08	N/A
PM ⁴	kg	N/A	N/A	N/A	6,960	8,040	11,961	N/A	N/A	N/A

1. Data coverage in 2022: Levima Advanced Materials’ data covered Levima Advanced Materials and its subsidiary Levima Chemical (Levima Chemical’s related data had been consolidated into the unified management scope of Levima Advanced Materials since 2021, and the 2020 data only covered Levima Advanced Materials); both Raycom and BIL have not generated significant emissions of atmospheric pollutants with significant environmental impacts, and their own vehicle operations have minimal emissions, resulting in limited accuracy in data quantification. Therefore, their emissions have not been quantified; Lenovo does not directly emit a large amount of exhaust gas, so there is no quantified data on air pollutant emissions;

Considering that none of the subsidiaries generate air pollutant emissions with significant environment impact during the reporting period, and in combination with the concept of total amount control, the density data of various air pollutant emissions (NO_x, SO₂, CO, PM₁₀ and PM_{2.5}) from Raycom and BIL will not be disclosed from 2022;

The quantification method, reference methodology, relevant parameters, and other information of air pollutant emissions data from Levima Advanced Materials: The quantification of NO_x, SO₂ and PM emissions is based on the actual monitoring values of equipment and facilities emissions within the factory boundary, and the data source is the annual report of the subsidiary’s pollutant emission permit. Among them, PM emissions are calculated based on the monitoring method in the *Stationary Source Emission – Determination of Mass Concentration of Particulate Matter at Low Concentration – Manual Gravimetric Method* (HJ 836-2017) by measuring the online monitoring data of particulate matter concentration at the fixed discharge outlet of the boiler. The relative proportion of CO and PM₁₀ emissions generated by mobile sources is minimal, so it has not been quantified;

2. The NO_x emission data of Levima Advanced Materials in 2021 was adjusted based on its actual monitoring values;

3. Based on the actual situation of pollutant quantification, the SO_x emission data disclosed in 2020 and 2021 were actually SO₂ data. Therefore, since 2022, it has been adjusted to disclose SO₂ emissions, and the relevant historical data has been adjusted simultaneously;

4. The PM emission data of Levima Advanced Materials in 2020 and 2021 were retroactively adjusted based on its actual monitoring values, and since 2022, its PM_{2.5} and PM₁₀ emissions will no longer be disclosed. In this case, PM refers to all solid and liquid particulate matter suspended in the emission gas generated during the combustion, synthesis, decomposition, and mechanical processing of fuels and other substances.

QUANTITATIVE PERFORMANCE TABLE

Total Discharge of Wastewater Pollutants¹

Indicators	Unit	Levima Advanced Materials		
		2020	2021	2022
COD	ton	286.03	397.00	328.76
NH ₃ -N	ton	5.52	13.06	31.80

¹ Data coverage in 2022: Levima Advanced Materials' data covered Levima Advanced Materials and its subsidiary Levima Chemical (Levima Chemical's related data had been consolidated into the unified management scope of Levima Advanced Materials since 2021, and the 2020 data only covered Levima Advanced Materials); Raycom and BIL are non-production enterprises that do not involve significant emissions of total wastewater pollutants, and the emission concentration and total amount meet the corresponding standards of the local government departments where they operate, so they have not been quantified; Lenovo has entrusted third-party treatment institutions for compliant treatment of over 99% of its global wastewater. Based on its operational management practices, no data related to wastewater pollutants has been disclosed;

Considering that none of the subsidiaries generates wastewater pollutants with significant environmental impact during the reporting period, and based on the concept of total amount control, the density data of various wastewater pollutant emissions will not be disclosed from 2022;

The quantification of COD and NH₃-N emissions from Levima Advanced Materials is based on the actual monitoring values of the sewage discharge outlets within the factory boundary, and the data source is the annual report of the subsidiary's pollutant discharge permit.

Solid Waste Management¹

Indicators	Unit	2020	Legend Holdings		Raycom 2022	Levima Advanced Materials 2022	BIL 2022	Lenovo FY2021/22
			2021	2022				
Total amount of hazardous waste ²	ton	1,507	2,254	1,959	0.79	1,956.96	1.28	125
Hazardous waste compliance disposal rate ³	%	100	100	100	100	100	100	100
Total amount of non-hazardous waste ⁴	ton	7,491	15,971	489,714	7,500	482,017.90	195.63	49,403
Hazardous waste density								
By revenue	ton/RMB million	0.137	0.175	0.143	0.0010	0.24	2.68×10 ⁶	0.00028
By area	ton/m ²	/	/	/	3.24×10 ⁶	N/A	25.48×10 ⁶	N/A
Non-hazardous waste density								
By revenue	ton/RMB million	0.679	1.241	35.775	9.70	59.09	0.041	0.11
By area	ton/m ²	/	/	/	0.03	N/A	0.0039	N/A

1. Data coverage in 2022: Raycom's data covered the Raycom Info Tech Park (including Legend Holdings headquarters), including public areas, office buildings with operational control, and commercial rental areas; Levima Advanced Materials' data covered Levima Advanced Materials and its subsidiary Levima Chemical (Levima Chemical's related data had been consolidated into the unified management scope of Levima Advanced Materials since 2021, and the 2020 data only covered Levima Advanced Materials); the data of BIL covered its headquarters, branches, and subsidiaries operated in Luxembourg (with the addition of data from subsidiaries operated in Luxembourg compared to the previous year); Lenovo's data coverage can be found in its ESG report for the 2021/22 fiscal year;
 During the reporting period, the performance of solid waste management was adjusted to disclose two categories of indicators: "total amount of hazardous/non-hazardous waste generated" and "density of hazardous/non-hazardous waste generated", in accordance with the Stock Exchange Guide. The specific data on the corresponding amount and density of various types of solid waste generated by each subsidiary will no longer be disclosed; in response to the situation where the quality of hazardous/non-hazardous waste generation was not put into direct statistics, the Company estimated its quality based on the original statistical data of the corresponding hazardous/non-hazardous waste generation amount (such as the number) and the corresponding unit quality, and added them up. In consolidating Legend Holdings' historical data, adjustments were also made using the same conversion method.
 In addition, data on the "compliant disposal rate of hazardous waste" indicator has been newly disclosed this year, and data from 2021 to 2022 has been traced to promote the attainment of solid waste management goals;
2. In this case, "hazardous waste" refers to waste lamps, batteries, cleaning waste oil, toner cartridges, and other hazardous waste included in the *National Hazardous Waste List* and/or the *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*. The specific categories of hazardous waste involved in the quantification process of each subsidiary depend on their business characteristics based on the actual waste production during the production and operation process: Raycom's statistics cover the generation of mercury containing waste lamps and related products, waste batteries, cleaning waste oil, and ink cartridges (the collection of mercury containing waste lamps and related products was only included in 2022); Levima Advanced Materials' statistics cover the total amount of VA refining residues, waste lubricants, waste initiators, waste packaging materials, and other hazardous waste included in the *National Hazardous Waste List*; BIL's statistics cover the generation of waste light bulbs, waste tubes, and toner cartridges/ink cartridges; the data disclosed by Lenovo in this case includes hazardous waste such as waste oil, coolant, organic solvents, batteries, fluorescent bulbs, and ballasts from its manufacturing, processing, operation, research and development sites, and large offices, excluding data related to the last stage of product lifecycle management (PELM). Further details can be found in its ESG report for the fiscal year 2021/22;
3. "Compliant disposal" includes two types of operations: Compliant final disposal (incineration (including those with/without energy recovery), landfill, and other disposal methods), and transfer from disposal (preparation for reuse, recycling, and other recycling operations). During the reporting period, the waste disposed of by each subsidiary has been collected by the corresponding entity and handed over to a third party for off-site disposal. Among them, Raycom has signed a solid waste disposal contract with the third party to dispose of its mercury containing lamp tubes, toner cartridges/ink cartridges, and waste lead batteries in compliance with regulations; 100% of hazardous waste generated by BIL has been recycled, and all hazardous waste transferred by Lenovo from disposal has been recycled;
4. In this case, "non-hazardous waste" refers to non-hazardous household waste such as paper waste and kitchen waste, as well as general industrial solid waste such as wastewater and biochemical treatment sludge. The specific categories of hazardous waste involved in the quantification process of each subsidiary depend on their business characteristics and actual waste production during production and operation: Raycom's statistics cover the amount construction waste and domestic waste generated (among which, construction waste is estimated based on the annual generated volume and average density, while domestic waste is estimated based on the daily generated volume and average density after compression; domestic waste includes 150,000 pieces of paper generated per month, a decrease of 28.9% compared to that of the previous year); Levima Advanced Materials' statistics cover the total amount of wastewater treatment sludge, household waste, and other non-hazardous waste; BIL's statistics cover the generation of paper and cardboard boxes, glass, mixed packaging, other household waste, and kitchen waste; Lenovo's data disclosed cover its office and restaurant waste, as well as packaging and production waste generated by production factories, excluding data related to excluding data related to the last stage of product lifecycle management (PELM). Further details can be found in its ESG report for the fiscal year 2021/22; the total amount of non-hazardous waste generated by Legend Holdings has significantly increased in 2022, mainly due to Levima Advanced Materials' inclusion of non-hazardous waste other than wastewater treatment sludge in the statistical scope. In addition, during the reporting period, 100% of non-hazardous waste generated by BIL has been recycled, and non-hazardous waste transferred by Lenovo from disposal includes conversion, resale/utilization, and recycling (organic waste composting).

KPIs IN ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF HKSE

Part B: Mandatory disclosure requirements	
Mandatory disclosure items	Chapters of the report
Governance structure	About Legend Holdings – ESG Management System – ESG Governance Structure
Reporting principles	About The Report – Reporting Principles About Legend Holdings – Analysis of Material Issues
Reporting scope	About The Report – Organisational Scope

Part C: “Comply or Explain” clause	
Level, general disclosure and KPIs	Chapters of the report
A. Environment	
A1. Emissions	Chapter 3 – Response to Climate Changes and Energy Management, Emission and Waste Management
A1.1	Quantitative Performance Table – Emission and Waste Management
A1.2	Quantitative Performance Table – Greenhouse Gas Emission
A1.3	Quantitative Performance Table – Emission and Waste Management
A1.4	Quantitative Performance Table – Emission and Waste Management
A1.5	About Legend Holdings – ESG Management System – ESG Target Management; Theme 2 – Carbon Neutrality
A1.6	About Legend Holdings – ESG Management System – ESG Target Management; Chapter 3 – Emission and Waste Management
A2. Resource Utilisation	Chapter 3 – Response to Climate Changes and Energy Management – Energy Management; Chapter 3 – Resource Management
A2.1	Quantitative Performance Table – Energy Management
A2.2	Quantitative Performance Table – Water Resource Management
A2.3	About Legend Holdings – ESG Management System – ESG Target Management; Chapter 3 – Response to Climate Changes and Energy Management – Energy Management
A2.4	About Legend Holdings – ESG Management System – ESG Target Management; Chapter 3 – Resource Management – Water Resource Management
A2.5	Quantitative Performance Table – Packaging Materials Management

Part C: "Comply or Explain" clause

Level, general disclosure and KPIs	Chapters of the report
A3. Environment and Natural Resources	Chapter 3 – Environmental Management System, Resource Management and Biodiversity Management
A3.1	Chapter 3 – Environmental Management System, Resource Management and Biodiversity Management
A4. Climate Change	Chapter 3 – Response to Climate Changes and Energy Management – Climate Change Response System
A4.1	Theme 2 – Carbon Neutrality; Chapter 3 – Response to Climate Changes and Energy Management – Climate Change Response System
B. Society	
Employment and Labor Practices	
B1. Employment	Chapter 2 – Employees’ Rights and Interests and Welfare, Employee Diversity and Equality
B1.1	Quantitative Performance Table – Employment
B1.2	Quantitative Performance Table – Employment
B2. Health and Safety	Chapter 2 – Occupational Health and Safety
B2.1	Quantitative Performance Table – Occupational Health and Safety
B2.2	Quantitative Performance Table – Occupational Health and Safety
B2.3	Chapter 2 – Occupational Health and Safety
B3. Development and training	Chapter 2 – Employee Training and Development
B3.1	Quantitative Performance Table – Employee Training and Development
B3.2	Quantitative Performance Table – Employee Training and Development
B4. Labor standards	Chapter 2 – Employees’ Rights and Interests and Welfare – Recruitment and Employment
B4.1	Chapter 2 – Employees’ Rights and Interests and Welfare – Recruitment and Employment
B4.2	Chapter 2 – Employees’ Rights and Interests and Welfare – Recruitment and Employment

KPIS IN ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF HKSE

Part C: "Comply or Explain" clause	
Level, general disclosure and KPIs	Chapters of the report
Operating practices	
B5. Supply Chain Management	Chapter 4 – Supply Chain Management
B5.1	Quantitative Performance Table – Supply Chain Management
B5.2	Chapter 4 – Supply Chain Management – Supplier Management System
B5.3	Chapter 4 – Supply Chain Management – Build Responsible Supply Chain
B5.4	Theme 2 – Carbon Neutrality; Chapter 4 – Supply Chain Management – Build Responsible Supply Chain
B6. Product Responsibilities	Chapter 4 – Sustainable Products and Services
B6.1	Chapter 4 – Sustainable Products and Services – Product Quality Management; Quantitative Performance Table – Product Quality Management
B6.2	Chapter 4 – Sustainable Products and Services – Customer Service Management; Quantitative Performance Table – Customer Service Management
B6.3	Chapter 4 – R&D and Innovation – Intellectual Property Protection
B6.4	Chapter 4 – Sustainable Products and Services – Product Quality Management
B6.5	Chapter 4 – Information Security and Privacy Protection – Privacy Protection
B7. Anti-corruption	Chapter 1 – Business Ethics – Mechanism Establishment
B7.1	Quantitative Performance Table – Business Ethics/Anti-corruption
B7.2	Chapter 1 – Business Ethics – Inspections and Audits, Whistle-blowing Management
B7.3	Chapter 1 – Business Ethics – Cultural Building Quantitative Performance Table – Business Ethics/Anti-corruption
Community	
B8. Community Investments	Theme 1 – Welfare Activities; Chapter 5 – Empowering Rural Revitalisation and Technological Innovation, Promoting Social Integrity, Supporting Social Welfare
B8.1	Theme 1 – Welfare Activities; Chapter 5 – Empowering Rural Revitalisation and Technological Innovation, Promoting Social Integrity, Supporting Social Welfare
B8.2	Quantitative Performance Table – Community Investments