



LENOVO GROUP LIMITED

2025 CDP Corporate Questionnaire 2025

Word version

Important: this export excludes unanswered questions

This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.

[Read full terms of disclosure](#)

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C1. Introduction

(1.1) In which language are you submitting your response?

Select from:

☒ English

(1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:

☒ USD

(1.3) Provide an overview and introduction to your organization.

(1.3.2) Organization type

Select from:

☒ Publicly traded organization

(1.3.3) Description of organization

Lenovo is a US\$69 billion revenue global technology powerhouse, ranked #196 in the Fortune Global 500, and serving millions of customers every day in 180 markets. Focused on a bold vision to deliver Smarter Technology for All, Lenovo has built on its success as the world's largest PC company with a full-stack portfolio of AI-enabled, AI-ready, and AI-optimized devices (PCs, workstations, smartphones, tablets), infrastructure (server, storage, edge, high performance computing and software defined infrastructure), software, solutions, and services. Lenovo's continued investment in world-changing innovation is building a more equitable, trustworthy, and smarter future for everyone, everywhere. Lenovo is listed on the Hong Kong stock exchange under Lenovo Group Limited (HKSE: 992) (ADR: LNVGY). To find out more visit <https://www.lenovo.com>, and read about the latest news via our StoryHub. Lenovo is committed to responsible environmental stewardship in our business activities. Lenovo's Corporate Policy on Environmental Affairs is supported by the Company's ISO 14001:2015 certified global environmental management system, which is key to our efforts to achieve results consistent with environmental leadership and ensures the Company is vigilant in protecting the environment across our operations worldwide. Lenovo recognizes global warming and the challenge of minimizing greenhouse gas (GHG) emissions as the preeminent environmental concern of the day. To demonstrate our commitment to battling climate change and in support of our customers' and stakeholders' commitments to GHG reductions Lenovo has developed a Climate and Energy Policy, implemented a comprehensive Climate Change Strategy, and established corporate-wide Climate Change Objectives and Targets, including Lenovo's Science Based Targets initiative (SBTi)-approved emissions reduction targets. Lenovo is in the first group of companies to receive net-zero validation from SBTi, making it the first PC and smartphone maker and 139th company around the world with

targets validated by the SBTi to the Net-Zero Standard. Lenovo also recognizes that water management is important to reduce risks both in its own operations and for its supply chain partners. To demonstrate this, Lenovo endorsed the CEO Water Mandate, joined the UN Global Compact Faster Forward initiative, implemented a corporate water policy, and developed company companywide water targets and objectives to help reduce water consumption, water pollution and access to WASH.

[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

	End date of reporting year	Alignment of this reporting period with your financial reporting period	Indicate if you are providing emissions data for past reporting years
	03/31/2025	Select from: ☒ Yes	Select from: ☒ No

[Fixed row]

(1.4.1) What is your organization’s annual revenue for the reporting period?

69077000000

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: ☒ Yes

[Fixed row]

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

HK0992009065

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

526250105

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

OTC: LNVGY

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

US5262501050

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

HKD COUNTER STOCK CODE 992

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

RMB COUNTER STOCK CODE 80992

[Add row]

(1.7) Select the countries/areas in which you operate.

Select all that apply

- ☒ Peru
- ☒ Chile
- ☒ China
- ☒ Egypt
- ☒ India
- ☒ Canada
- ☒ France
- ☒ Greece
- ☒ Israel
- ☒ Mexico
- ☒ Austria
- ☒ Belgium
- ☒ Croatia
- ☒ Czechia
- ☒ Denmark
- ☒ Morocco
- ☒ Romania
- ☒ Ukraine
- ☒ Bulgaria
- ☒ Colombia
- ☒ Viet Nam
- ☒ Argentina
- ☒ Australia
- ☒ Indonesia
- ☒ Lithuania
- ☒ Philippines
- ☒ Switzerland

- ☒ Italy
- ☒ Japan
- ☒ Kenya
- ☒ Spain
- ☒ Brazil
- ☒ Norway
- ☒ Poland
- ☒ Serbia
- ☒ Sweden
- ☒ Turkey
- ☒ Finland
- ☒ Georgia
- ☒ Germany
- ☒ Hungary
- ☒ Ireland
- ☒ Malaysia
- ☒ Portugal
- ☒ Slovakia
- ☒ Slovenia
- ☒ Thailand
- ☒ Singapore
- ☒ Azerbaijan
- ☒ Kazakhstan
- ☒ Netherlands
- ☒ New Zealand
- ☒ Republic of Korea
- ☒ Russian Federation

- ☒ Saudi Arabia
- ☒ South Africa
- ☒ Taiwan, China
- ☒ United Arab Emirates
- ☒ United States of America
- ☒ United Kingdom of Great Britain and Northern Ireland

(1.8) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
	Select from: ☒ Yes, for all facilities	See 1.8.1 for locations

[Fixed row]

(1.8.1) Please provide all available geolocation data for your facilities.

Row 1

(1.8.1.1) Identifier

Budapest Uilo manufacturing

(1.8.1.2) Latitude

47.38

(1.8.1.3) Longitude

19.35

(1.8.1.4) Comment

Manufacturing

Row 2

(1.8.1.1) Identifier

Hefei - MFG

(1.8.1.2) Latitude

31.810087

(1.8.1.3) Longitude

117.277046

(1.8.1.4) Comment

Manufacturing

Row 3

(1.8.1.1) Identifier

Markham

(1.8.1.2) Latitude

43.82

(1.8.1.3) Longitude

-79.35

(1.8.1.4) Comment

Large Office

Row 4

(1.8.1.1) Identifier

Medion

(1.8.1.2) Latitude

51.46

(1.8.1.3) Longitude

7.06

(1.8.1.4) Comment

R&D

Row 5

(1.8.1.1) Identifier

Beijing Data Center

(1.8.1.2) Latitude

40.05

(1.8.1.3) Longitude

116.27

(1.8.1.4) Comment

Large Office

Row 6

(1.8.1.1) Identifier

Sao Paulo MM

(1.8.1.2) Latitude

-23.59

(1.8.1.3) Longitude

-46.69

(1.8.1.4) Comment

Large Office

Row 7

(1.8.1.1) Identifier

Bucharest

(1.8.1.2) Latitude

44.48

(1.8.1.3) Longitude

26.1

(1.8.1.4) Comment

Large Office

Row 8

(1.8.1.1) Identifier

Tokyo HQ

(1.8.1.2) Latitude

35.7009

(1.8.1.3) Longitude

139.7697

(1.8.1.4) Comment

Large Office

Row 9

(1.8.1.1) Identifier

Hefei

(1.8.1.2) Latitude

31.78

(1.8.1.3) Longitude

117.21

(1.8.1.4) Comment

Manufacturing

Row 10

(1.8.1.1) Identifier

Morrisville R&D

(1.8.1.2) Latitude

35.86

(1.8.1.3) Longitude

-78.83

(1.8.1.4) Comment

R&D

Row 11

(1.8.1.1) Identifier

Dalian

(1.8.1.2) Latitude

38.8996

(1.8.1.3) Longitude

121.5737

(1.8.1.4) Comment

Large Office

Row 12

(1.8.1.1) Identifier

Beijing R&D

(1.8.1.2) Latitude

40.05

(1.8.1.3) Longitude

116.27

(1.8.1.4) Comment

R&D

Row 13

(1.8.1.1) Identifier

Chengdu Office

(1.8.1.2) Latitude

30.6329

(1.8.1.3) Longitude

104.0759

(1.8.1.4) Comment

Large Office

Row 14

(1.8.1.1) Identifier

FCCL Kanagawa Headquarters

(1.8.1.2) Latitude

35.59

(1.8.1.3) Longitude

139.63

(1.8.1.4) Comment

R&D

Row 15

(1.8.1.1) Identifier

FCCL Kanagawa R&D

(1.8.1.2) Latitude

35.58

(1.8.1.3) Longitude

139.64

(1.8.1.4) Comment

R&D

Row 16

(1.8.1.1) Identifier

Wuhan

(1.8.1.2) Latitude

30.45395

(1.8.1.3) Longitude

114.4501

(1.8.1.4) Comment

Manufacturing

Row 17

(1.8.1.1) Identifier

Madrid

(1.8.1.2) Latitude

40.495974

(1.8.1.3) Longitude

-3.67182

(1.8.1.4) Comment

Large Office

Row 18

(1.8.1.1) Identifier

Ullö

(1.8.1.2) Latitude

47.37981

(1.8.1.3) Longitude

19.35362

(1.8.1.4) Comment

Manufacturing

Row 19

(1.8.1.1) Identifier

Dalian - Finance

(1.8.1.2) Latitude

38.89

(1.8.1.3) Longitude

121.54

(1.8.1.4) Comment

Large Office

Row 20

(1.8.1.1) Identifier

Mexico City

(1.8.1.2) Latitude

19.37

(1.8.1.3) Longitude

-99.26

(1.8.1.4) Comment

Large Office

Row 21

(1.8.1.1) Identifier

Singapore

(1.8.1.2) Latitude

1.35

(1.8.1.3) Longitude

103.86

(1.8.1.4) Comment

Large Office

Row 22

(1.8.1.1) Identifier

Omori

(1.8.1.2) Latitude

35.59

(1.8.1.3) Longitude

139.74

(1.8.1.4) Comment

Large Office

Row 23

(1.8.1.1) Identifier

Hefei

(1.8.1.2) Latitude

31.814199

(1.8.1.3) Longitude

117.191727

(1.8.1.4) Comment

Large Office

Row 24

(1.8.1.1) Identifier

Monterrey

(1.8.1.2) Latitude

25.78783

(1.8.1.3) Longitude

-100.166

(1.8.1.4) Comment

Manufacturing

Row 25

(1.8.1.1) Identifier

Xiamen R&D

(1.8.1.2) Latitude

24.53492

(1.8.1.3) Longitude

118.149

(1.8.1.4) Comment

R&D

Row 26

(1.8.1.1) Identifier

Whitsett

(1.8.1.2) Latitude

36.05

(1.8.1.3) Longitude

-79.59

(1.8.1.4) Comment

Manufacturing

Row 27

(1.8.1.1) Identifier

Basingstoke

(1.8.1.2) Latitude

51.29

(1.8.1.3) Longitude

-1.07

(1.8.1.4) Comment

Large Office

Row 28

(1.8.1.1) Identifier

Yokohama

(1.8.1.2) Latitude

35.46

(1.8.1.3) Longitude

139.63

(1.8.1.4) Comment

R&D

Row 29

(1.8.1.1) Identifier

NEC Yonezawa

(1.8.1.2) Latitude

37.92

(1.8.1.3) Longitude

140.11

(1.8.1.4) Comment

Manufacturing

Row 30

(1.8.1.1) Identifier

Shanghai Zhangjiang

(1.8.1.2) Latitude

31.20268

(1.8.1.3) Longitude

121.5855

(1.8.1.4) Comment

R&D

Row 31

(1.8.1.1) Identifier

Chengdu Software Park

(1.8.1.2) Latitude

30.5391

(1.8.1.3) Longitude

104.0565

(1.8.1.4) Comment

Large Office

Row 32

(1.8.1.1) Identifier

Shenzhen MFG

(1.8.1.2) Latitude

22.5053

(1.8.1.3) Longitude

114.0516

(1.8.1.4) Comment

Manufacturing

Row 33

(1.8.1.1) Identifier

Buenos Aires

(1.8.1.2) Latitude

-34.5468

(1.8.1.3) Longitude

-58.45

(1.8.1.4) Comment

Large Office

Row 34

(1.8.1.1) Identifier

Hong Kong

(1.8.1.2) Latitude

22.28

(1.8.1.3) Longitude

114.21

(1.8.1.4) Comment

Large Office

Row 35

(1.8.1.1) Identifier

Glasgow

(1.8.1.2) Latitude

55.87

(1.8.1.3) Longitude

-4.37

(1.8.1.4) Comment

Large Office

Row 36

(1.8.1.1) Identifier

Pondicherry

(1.8.1.2) Latitude

11.87

(1.8.1.3) Longitude

79.79

(1.8.1.4) Comment

Manufacturing

Row 37

(1.8.1.1) Identifier

Chongqing

(1.8.1.2) Latitude

29.645005

(1.8.1.3) Longitude

106.566434

(1.8.1.4) Comment

R&D

Row 38

(1.8.1.1) Identifier

Moscow

(1.8.1.2) Latitude

55.69

(1.8.1.3) Longitude

37.54

(1.8.1.4) Comment

Large Office

Row 39

(1.8.1.1) Identifier

LSSC

(1.8.1.2) Latitude

22.79

(1.8.1.3) Longitude

114.47

(1.8.1.4) Comment

Manufacturing

Row 40

(1.8.1.1) Identifier

Dubai

(1.8.1.2) Latitude

25.1

(1.8.1.3) Longitude

55.18

(1.8.1.4) Comment

Large Office

Row 41

(1.8.1.1) Identifier

Paris/Rueil-Malmaison

(1.8.1.2) Latitude

48.89

(1.8.1.3) Longitude

2.17

(1.8.1.4) Comment

Large Office

Row 42

(1.8.1.1) Identifier

Jaguariuna

(1.8.1.2) Latitude

-22.7248

(1.8.1.3) Longitude

-47.0108

(1.8.1.4) Comment

Large Office

Row 43

(1.8.1.1) Identifier

Chengdu

(1.8.1.2) Latitude

30.68

(1.8.1.3) Longitude

104.06

(1.8.1.4) Comment

Manufacturing

Row 44

(1.8.1.1) Identifier

Beijing Call Center

(1.8.1.2) Latitude

39.92

(1.8.1.3) Longitude

116.71

(1.8.1.4) Comment

Large Office

Row 45

(1.8.1.1) Identifier

Shenzhen R&D

(1.8.1.2) Latitude

22.54

(1.8.1.3) Longitude

113.95

(1.8.1.4) Comment

R&D

Row 46

(1.8.1.1) Identifier

Guangzhou

(1.8.1.2) Latitude

23.13

(1.8.1.3) Longitude

113.26

(1.8.1.4) Comment

Large Office

Row 47

(1.8.1.1) Identifier

Indaiatuba

(1.8.1.2) Latitude

-23.0789

(1.8.1.3) Longitude

-47.1679

(1.8.1.4) Comment

Manufacturing

Row 48

(1.8.1.1) Identifier

Bangalore Ferns

(1.8.1.2) Latitude

12.98

(1.8.1.3) Longitude

77.69397

(1.8.1.4) Comment

Large Office

Row 49

(1.8.1.1) Identifier

Chicago

(1.8.1.2) Latitude

41.89

(1.8.1.3) Longitude

-87.64

(1.8.1.4) Comment

R&D

Row 50

(1.8.1.1) Identifier

Kuala Lumpur

(1.8.1.2) Latitude

3.14

(1.8.1.3) Longitude

101.62

(1.8.1.4) Comment

Large Office

Row 51

(1.8.1.1) Identifier

Bangalore - Motorola

(1.8.1.2) Latitude

12.97862

(1.8.1.3) Longitude

77.65864

(1.8.1.4) Comment

Large Office

Row 52

(1.8.1.1) Identifier

Stuttgart

(1.8.1.2) Latitude

48.74

(1.8.1.3) Longitude

9.11

(1.8.1.4) Comment

Large Office

Row 53

(1.8.1.1) Identifier

Nanjing Software Park

(1.8.1.2) Latitude

32.04

(1.8.1.3) Longitude

118.78

(1.8.1.4) Comment

R&D

Row 54

(1.8.1.1) Identifier

Huiyang

(1.8.1.2) Latitude

22.79

(1.8.1.3) Longitude

114.47

(1.8.1.4) Comment

Manufacturing

Row 55

(1.8.1.1) Identifier

Bratislava

(1.8.1.2) Latitude

48.14

(1.8.1.3) Longitude

17.13

(1.8.1.4) Comment

Large Office

Row 56

(1.8.1.1) Identifier

Taipei

(1.8.1.2) Latitude

25.05744

(1.8.1.3) Longitude

121.6147

(1.8.1.4) Comment

R&D

Row 57

(1.8.1.1) Identifier

Sao Paulo

(1.8.1.2) Latitude

-23.51

(1.8.1.3) Longitude

-46.71

(1.8.1.4) Comment

Large Office
[Add row]

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

☒ Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply

☒ Upstream value chain

(1.24.3) Highest supplier tier mapped

Select from:

☒ Tier 2 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

☒ Tier 3 suppliers

(1.24.7) Description of mapping process and coverage

Currently Lenovo has about 1,500 supplier factory locations mapped which include tier 1, tier 2 and some tier 3 supplier factories. We also have about 500 Global Logistics locations mapped. We map at the supplier factory location level because this is where the supply chain disruption (supplier parts) occurs. We have these suppliers mapped in a Digital Twin in the Everstream Analytics system. For each supplier we have a physical address and geographic location (latitude / longitude).
[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

(1.24.1.1) Plastics mapping

Select from:

☒ No, and we do not plan to within the next two years

(1.24.1.5) Primary reason for not mapping plastics in your value chain

Select from:

☒ No standardized procedure

(1.24.1.6) Explain why your organization has not mapped plastics in your value chain

Lenovo has many metrics tracking plastic usage and disposal throughout the supply chain, however we do not have a standardized procedure to ensure all aspects are covered. In order for Lenovo to confidently say we have mapped plastics across our value chain, additional work and standardized procedures need to be developed.

[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

1

(2.1.4) How this time horizon is linked to strategic and/or financial planning

The time horizon aligns with Lenovo's strategic planning, taking into account Lenovo's financial planning and SBTi targets.

Medium-term

(2.1.1) From (years)

2

(2.1.3) To (years)

5

(2.1.4) How this time horizon is linked to strategic and/or financial planning

The time horizon aligns with Lenovo's strategic planning, taking into account Lenovo's financial planning and SBTi targets.

Long-term

(2.1.1) From (years)

6

(2.1.2) Is your long-term time horizon open ended?

Select from:

☒ No

(2.1.3) To (years)

25

(2.1.4) How this time horizon is linked to strategic and/or financial planning

The time horizon aligns with Lenovo's strategic planning, taking into account Lenovo's financial planning and SBTi targets.
[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: ☒ Yes	Select from: ☒ Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: ☒ Yes	Select from: ☒ Both risks and opportunities	Select from: ☒ Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☒ Water

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☒ Dependencies

☒ Impacts

☒ Risks

☒ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

- ☒ Direct operations
- ☒ Upstream value chain
- ☒ Downstream value chain

(2.2.2.4) Coverage

Select from:

- ☒ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

- ☒ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

- ☒ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

- ☒ Annually

(2.2.2.9) Time horizons covered

Select all that apply

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

(2.2.2.10) Integration of risk management process

Select from:

- ☒ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

- ☒ National

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

- ☒ LEAP (Locate, Evaluate, Assess and Prepare) approach, TNFD
- ☒ WRI Aqueduct
- ☒ WWF Water Risk Filter

International methodologies and standards

- ☒ ISO 14001 Environmental Management Standard

Other

- ☒ Internal company methods
- ☒ Scenario analysis

(2.2.2.13) Risk types and criteria considered

Acute physical

- ☒ Drought
- ☒ Flood (coastal, fluvial, pluvial, ground water)

Chronic physical

- ☒ Water stress
- ☒ Groundwater depletion
- ☒ Water quality at a basin/catchment level
- ☒ Water availability at a basin/catchment level

- ☒ Declining water quality
- ☒ Increased ecosystem vulnerability
- ☒ Rationing of municipal water supply

Policy

- ☒ Regulation of discharge quality/volumes

Market

- ☒ Inadequate access to water, sanitation, and hygiene services (WASH)

Reputation

- ☒ Increased partner and stakeholder concern and partner and stakeholder negative feedback

Technology

- ☒ Transition to water efficient and low water intensity technologies and products

Liability

- ☒ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- | | |
|---|--|
| ☒ NGOs | ☒ Regulators |
| ☒ Customers | ☒ Local communities |
| ☒ Employees | ☒ Water utilities at a local level |
| ☒ Investors | ☒ Other water users at the basin/catchment level |
| ☒ Suppliers | |

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

- ☒ No

(2.2.2.16) Further details of process

Lenovo recognizes the need to proactively mitigate water risks and foster water resiliency, and that this will require cooperation and collaboration across organizations and different parts of the economy. Lenovo follows LEAP approach framework to identify, assess, and manage its dependencies, impacts, risks, and opportunities. Consistent with the Lenovo's enterprise risk management (ERM) guidance, the assessment covers business direct operations, upstream value chain, downstream value chain. The process includes the following: evaluate dependencies and impacts, assess risks and opportunities, prepare to respond, and report. Annually, as part of this approach, Lenovo performs a water risk assessment. Each year the process has improved as our understanding of water risk evolves. The assessment includes all direct operations, a majority of Original Design Manufacturers (ODMs), and most direct suppliers by procurement spend (such as those with the greater environmental impact due to greater volume of business). Product use phase is not considered as most Lenovo products do not directly interact with or consume significant quantities of water. Lenovo's own sites, ODMs, and suppliers are filtered for those that pose the greatest risk overall. The locations of these sites were input into WRI Aqueduct during the most recent annual assessment. Lenovo then considers a range of current indicators covering the issues selected, as well as future projects (2030 and 2040) and results are reviewed to determine how many and which sites have the highest risk for each contextual issue considered. The outcomes of the assessment are used to inform the relevant environmental focal points and management of water risks and potential opportunities so that they are prepared to make informed decisions. In recent years, as those making business decisions were informed about water risks and their connection to climate change as a result of this program, several initiatives have been approved such as: adding a dedicated water management position to the corporate team, adopting a Water Resiliency Policy, and endorsing the UN CEO Water Mandate. Lenovo's Corporate Policy on Environmental Affairs is supported by the Company's ISO 14001 certified global Environmental Management System (EMS), which is key to the Company's efforts to achieve results consistent with environmental leadership and ensures the Company is vigilant in protecting the environment across all its operations worldwide. As part of Lenovo's EMS, water use is tracked for the most critical locations wherever feasible, and progress towards our global water target is tracked. Lenovo also collects water use data from a subset of its suppliers. This water data includes supplier's public water targets which gets incorporated into our supplier sustainability scorecard where it can be used to inform management of opportunities and assist with future business decisions. Lenovo will continue to monitor and improve water accounting and risk mapping within our operations and supply chain while investigating opportunities for greater stewardship and improved water security, including access to sufficient quantity and quality of water.

Row 2

(2.2.2.1) Environmental issue

Select all that apply

☒ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☒ Dependencies

☒ Impacts

- ☒ Risks
- ☒ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

- ☒ Direct operations
- ☒ Upstream value chain
- ☒ Downstream value chain

(2.2.2.4) Coverage

Select from:

- ☒ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

- ☒ Tier 1 suppliers
- ☒ Tier 2 suppliers

(2.2.2.7) Type of assessment

Select from:

- ☒ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

- ☒ Annually

(2.2.2.9) Time horizons covered

Select all that apply

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

(2.2.2.10) Integration of risk management process

Select from:

- ☒ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

- ☒ Not location specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

- ☒ LEAP (Locate, Evaluate, Assess and Prepare) approach, TNFD

Enterprise Risk Management

- ☒ Enterprise Risk Management

International methodologies and standards

- ☒ ISO 14001 Environmental Management Standard

Other

- ☒ Materiality assessment
- ☒ Scenario analysis

(2.2.2.13) Risk types and criteria considered

Acute physical

- ☒ Cyclones, hurricanes, typhoons

☒ Flood (coastal, fluvial, pluvial, ground water)

Chronic physical

☒ Changing temperature (air, freshwater, marine water)

Policy

☒ Changes to national legislation

☒ Other policy, please specify :Enhanced ESG reporting obligation & changes to regulation of existing products and services.

Market

☒ Changing customer behavior

☒ Uncertainty in the market signals

Reputation

☒ Increased partner and stakeholder concern and partner and stakeholder negative feedback

Technology

☒ Transition to lower emissions technology and products

☒ Other technology, please specify :Lack of access to data or monitoring systems

Liability

☒ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☒ Customers

☒ Investors

☒ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☒ No

(2.2.2.16) Further details of process

Lenovo follows the LEAP approach framework and its internal enterprise risk management (ERM) guidance, and the assessment covers 100% business direct operation, upstream value chain, downstream value chain. The process includes the following main steps: evaluate dependencies and impacts, assess risks and opportunities, prepare to respond and report. Before the risks and opportunities assessment process, Lenovo identified material dependencies on climate and its ecosystem service, and whether it has impacts on climate. ENCORE is the tool utilized for this assessment to provide industry sector level dependencies and impacts information, including climate and water as well as the relevant materiality. The risks and opportunities identification comes from several sources including different ESG internal stakeholders and external industry or market information. The process is fully integrated to Lenovo's company-wide risk management process. Lenovo's ERM has internal risk rating criteria that ranks risk according to a number of factors including financial. Financial impacts are defined by the overall profitability of the business by assessing financial indicators such as profit and revenue. Financial risks are ranked based on total impact (lower, moderate, high, or very high) with defined monetary ranges depending on the magnitude of associated loss in profit and revenue. The two highest financial impact categories as defined by internal risk ranking methodology determine degree of severity and would be considered critical financial impact with the potential to have a substantive impact on business at the corporate level. The risk rating methodology identifies several other impact types such as reputation market share production people and compliance that would all be considered strategic impacts. These strategic impacts would likely have associated financial impacts. The indicators for determining their degree of severity are the geographic and temporal scope of publicity, sales, production numbers, injury, death, turnover, scope of incidents and penalties. Similar to the financial impacts, the two highest degrees of severity for the aforementioned impact types would be considered a substantive strategic impact on business at the corporate level. In general summary, the identified risks and opportunities by the Enterprise Risk Management process are prioritized by ranking the risks relative to likelihood and consequence. Consequences are evaluated relative to financial, reputational, production, human capital, compliance and market share impacts. Probabilities are evaluated relative to likelihood of almost certain, possible, unlikely, and remote. With all the information obtain in previous steps, the ESG team simulates the following four global warming pathways, 1.5°C (transition scenario); 2°C (transition scenario); 2.6°C (physical climate scenario) & 4°C (physical climate scenario), to provide forward looking assessments under different climate scenarios by using GeSI-CDP tool. The material risks identified in this process are reported by the ESG Executive Director through Lenovo's company-wide annual risk management process, which adopts three lines of defense model and is governed by the Board of Directors and supported by the Audit committee. The relevant risk response plans are discussed and monitored by Lenovo ESG and ERM teams.

[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

☒ Yes

(2.2.7.2) Description of how interconnections are assessed

The assessment follows the LEAP framework that connects dependencies, impacts, risks, and opportunities into a single process. The process includes the following main steps: evaluate dependencies and impacts, assess risks and opportunities, prepare to respond and report. Within the risk assessment, the process is also integrated into Lenovo's internal enterprise risk management process. The first step of Lenovo's internal risk assessment is an environment scan. Dependencies and impacts evaluation results are useful information for this step and link to next step risk identification. For example, within ICT industry, based on results from the ENCORE tool, atmosphere and its processes (such as temperature regulation) support a number of essential ecosystem service for Lenovo. One of the material ecosystem services is climate regulation. Additionally, atmosphere changes have impact on global climate pattern, which potentially could lead to severe weather events. Considering the dependencies on atmosphere and ecosystem, and its impact, Lenovo has identified two material risks from the evaluation, noncompliance risk and physical risk related to severe weather events. Lenovo also uses its ISO 14001 EMS and other available tools (such as the WRI Aquaduct, WWF water risk, etc.) to evaluate and assess the interconnections between environmental risks associated with water, water dependencies, and potential impacts to water to determine what opportunities are available across the company. After assessing these interconnections, some risks or opportunities may be selected as significant aspects or targets within the ISO 14001 EMS. The risk assessment process has been outlined in question 2.2.2.

[Fixed row]

(2.3) Have you identified priority locations across your value chain?

(2.3.1) Identification of priority locations

Select from:

☒ Yes, we have identified priority locations

(2.3.2) Value chain stages where priority locations have been identified

Select all that apply

☒ Direct operations

(2.3.3) Types of priority locations identified

Sensitive locations

☒ Areas of limited water availability, flooding, and/or poor quality of water

Locations with substantive dependencies, impacts, risks, and/or opportunities

☒ Locations with substantive dependencies, impacts, risks, and/or opportunities relating to water

(2.3.4) Description of process to identify priority locations

Lenovo recognizes that water is a vital and shared resource and that water risks to businesses and communities will continue to increase as the global population grows and climate change affects the distribution and availability of water. While Lenovo has no significant wet processes, Lenovo is committed to continuing to provide adequate Water Access, Sanitation, and Hygiene (WASH) services for all the Company's employees and any visitors at its workspaces around the world, as well as requiring its suppliers to maintain adequate WASH services for all their employees. Furthermore, Lenovo recognizes the importance of adequate quantities of sufficient quality water to our supply chain partners, especially the semiconductor industry. Given this, Lenovo maintains operational control of water use in its direct operations, while further studying the current and future water risks within its direct operations and value chain, and identifying opportunities for improved water management and water-related risk management. In addition to the WASH services commitment, Lenovo's annual water risk assessment is used to identify high risk priority locations. This assessment includes all direct operations, a majority of ODMs, and most direct suppliers by procurement spend (such as those with the greater environmental impact due to greater volume of business). Lenovo's own sites, ODMs, and suppliers are filtered for those that pose the greatest risk overall. The locations of these sites are input into WRI Aqueduct during the most recent annual assessment. Based on the results of WRI aqueduct tool and our own internal water consumption data, high risk, priority locations are identified.

(2.3.5) Will you be disclosing a list/spatial map of priority locations?

Select from:

☒ No, we have a list/geospatial map of priority locations, but we will not be disclosing it

[Fixed row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

☒ Qualitative

☒ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☒ Revenue

(2.4.3) Change to indicator

Select from:

☒ % decrease

(2.4.4) % change to indicator

Select from:

☒ 1-10

(2.4.6) Metrics considered in definition

Select all that apply

☒ Time horizon over which the effect occurs

(2.4.7) Application of definition

Time horizon over which the effect occurs in Lenovo's risk management guidance refer to 10% impact on revenue over short-term (1 year). The reviewed and updated of this threshold is determined by Lenovo ERM team during its annual risk guidance review process.

Opportunities

(2.4.1) Type of definition

Select all that apply

☒ Qualitative

☒ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☒ Revenue

(2.4.3) Change to indicator

Select from:

☒ % increase

(2.4.4) % change to indicator

Select from:

☒ 1-10

(2.4.6) Metrics considered in definition

Select all that apply

☒ Time horizon over which the effect occurs

(2.4.7) Application of definition

The opportunity threshold leverage Lenovo's risk management guidance. Time horizon over which the effect occurs in Lenovo's risk management guidance refer to 10% impact on revenue over short-term (1 year). The reviewed and updated of this threshold is determined by Lenovo ERM team during its annual risk guidance review process.

[Add row]

(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

(2.5.1) Identification and classification of potential water pollutants

Select from:

☒ Yes, we identify and classify our potential water pollutants

(2.5.2) How potential water pollutants are identified and classified

Lenovo's processes for identifying & classifying water pollutants are found in its Site Environmental Practices Manual. The discharge management requirements within this Manual apply to manufacturing and R&D sites. As stated in the manual, the site's environmental focal point is responsible for maintaining an inventory of water discharges and assuring discharges meet all applicable laws, regulations, and permits for discharging to receiving waters or requirements of third party treatment facilities as applicable to the site. Sites must characterize their discharges prior to entering into agreement with a third party and must re-evaluate its discharges any time there is a change in the activities at the location that could impact discharge characteristics. The established regulatory standards followed by the company vary by location as they are determined by the local jurisdiction or third party treating the wastewater. An example demonstrating the types of discharge

characteristics commonly sampled for across the company is at Lenovo's manufacturing facility in Pondicherry, India. The established standard, in this case, The Water (Prevention and Control of Pollution) Act 1974, is set by the local Pollution Control Committee and the site's discharge is sampled quarterly for fecal coliforms, BOD, COD, nitrogen, phosphorus, pH, and TSS to meet the requirements of the standard. These samples are sent off to a certified laboratory for analysis and tracked to ensure compliance.

[Fixed row]

(2.5.1) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Row 1

(2.5.1.1) Water pollutant category

Select from:

☒ Nitrates

(2.5.1.2) Description of water pollutant and potential impacts

Lenovo operates at many sites across the globe. Across these sites, the majority of water use is for WASH services; therefore, water discharges largely have a profile similar to domestic sewage with some nitrogen content. If not adequately treated before discharge, the nitrogen content in Lenovo's wastewater could contribute to eutrophication in receiving water bodies.

(2.5.1.3) Value chain stage

Select all that apply

☒ Direct operations

☒ Upstream value chain

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☒ Requirement for suppliers to comply with regulatory requirements

☒ Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

(2.5.1.5) Please explain

Sites in charge of discharge to a third party for treatment are required to characterize their wastewater to ensure it meets the incoming requirements of the third party treatment system including any nitrogen requirements. For example, at Lenovo's Monterrey manufacturing facility, local discharge indicators include total nitrogen and Kjeldahl nitrogen. Where Lenovo is directly responsible for discharge, sites must ensure wastewater is adequately treated onsite to meet local laws, regulations, and any permit requirements. If a site is not meeting the applicable requirements, it would be responsible for addressing this through source reduction or additional onsite treatment. Another example, at Lenovo's Pondicherry manufacturing facility, the treated effluent is sampled quarterly for Total Nitrogen as N to meet requirements of the Pondicherry Pollution Control Committee. Success is measured by quality measurements per local requirements and the number of violations (goal of zero). These procedures manage the risk of eutrophication by ensuring any discharges are within third party treatment ranges or meet any applicable local regulations in place to manage eutrophication. In addition, Lenovo's Supplier Code of Conduct, requires all suppliers to "Identify potential pollutant sources and ensure the pollutant level of air emission and water discharge are in accordance with applicable laws and regulations". Success is measured through audits.

Row 2

(2.5.1.1) Water pollutant category

Select from:

☒ Other nutrients and oxygen demanding pollutants

(2.5.1.2) Description of water pollutant and potential impacts

Lenovo operates at many sites across the globe. Across these sites the majority of water use is for WASH services; therefore, water discharges largely have a profile similar to domestic sewage with similar oxygen demand. If not adequately treated before discharge, the oxygen demand in Lenovo's wastewater could deplete the dissolved oxygen levels in the receiving waters causing organisms, such as fish, to die.

(2.5.1.3) Value chain stage

Select all that apply

☒ Direct operations

☒ Upstream value chain

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☒ Requirement for suppliers to comply with regulatory requirements

☒ Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

(2.5.1.5) Please explain

Sites in charge of discharge to a third party for treatment are required to characterize their wastewater to ensure it meets the incoming requirements of the third party treatment system including any oxygen demand requirements. For example, at Lenovo's Monterrey manufacturing facility, local discharge indicators include BOD and COD. Where Lenovo is directly responsible for discharge, sites must ensure wastewater is adequately treated onsite to meet local laws, regulations, and any permit requirements. If a site is not meeting the applicable requirements, it would be responsible for addressing this through source reduction or additional onsite treatment. For example, at Lenovo's Pondicherry manufacturing facility, the treated effluent is sampled quarterly for BOD at 27 degrees C for 3 days and COD to meet requirements of the Pondicherry Pollution Control Committee. Success is measured by quality measurements per local requirements and the number of violations (goal of zero). These procedures manage the risk of depleting oxygen in receiving waters by ensuring any discharges are within third party treatment ranges or meet any applicable local regulations in place to manage oxygen depletion. In addition, Lenovo's Supplier Code of Conduct, requires all suppliers to "Identify potential pollutant sources and ensure the pollutant level of air emission and water discharge are in accordance with applicable laws and regulations". Success is measured through audits.

Row 3

(2.5.1.1) Water pollutant category

Select from:

☒ Oil

(2.5.1.2) Description of water pollutant and potential impacts

Lenovo operates at many sites across the globe. Across these sites the majority have compliance obligations as their wastewater is discharged to third parties for treatment. High concentrations of oil and grease in wastewater can decrease the effectiveness of wastewater treatment systems causing the resulting effluent to exceed applicable regulatory requirements. Exceeding these requirements can potentially result in negative repercussions (e.g. fines) for the operating facilities.

(2.5.1.3) Value chain stage

Select all that apply

☒ Direct operations

☒ Upstream value chain

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☒ Requirement for suppliers to comply with regulatory requirements

- ☒ Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

(2.5.1.5) Please explain

The majority of Lenovo's wastewater is discharged to third parties for treatment. Under Lenovo's Site Environmental Practices Manual, manufacturing and R&D sites must characterize their wastewater to ensure it meets the incoming requirements of the third-party treatment system including any oil and grease requirements. Where Lenovo operates cafeterias or canteens on site where cooking oil could cause oily wastewater, grease traps are in use. For example, at Lenovo's Beijing Headquarters there is a grease trap in use to meet municipal requirements. Where required, oil and grease levels are sampled. Another example, sampling at Lenovo's Monterrey manufacturing facility includes testing for oil and grease. These procedures manage the risk to overall wastewater treatment efficacy by ensuring any discharges have oil and grease content within third party treatment ranges. Success is measured by periodic quality measurements per local requirements and the number of violations (goal of zero). In addition, Lenovo's Supplier Code of Conduct, requires all suppliers to "Identify potential pollutant sources and ensure the pollutant level of air emission and water discharge are in accordance with applicable laws and regulations". Success is measured through audits.

Row 4

(2.5.1.1) Water pollutant category

Select from:

- ☒ Phosphates

(2.5.1.2) Description of water pollutant and potential impacts

Lenovo operates at many sites across the globe. Across these sites the majority of water use is for WASH services; therefore, water discharges largely have a profile similar to domestic sewage with some phosphorus content. If not adequately treated before discharge, the phosphorus content in Lenovo's wastewater could contribute to eutrophication in receiving water bodies.

(2.5.1.3) Value chain stage

Select all that apply

- ☒ Direct operations
- ☒ Upstream value chain

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

- ☒ Requirement for suppliers to comply with regulatory requirements

- ☒ Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

(2.5.1.5) Please explain

Sites in charge of discharge to a third party for treatment are required to characterize their wastewater to ensure it meets the incoming requirements of the third party treatment system including any phosphorus requirements. For example, at Lenovo's Monterrey manufacturing facility, local discharge indicators include total phosphorus. Where Lenovo is directly responsible for discharge, sites must ensure wastewater is adequately treated onsite to meet local laws, regulations, and any permit requirements. If a site is not meeting the applicable requirements, it would be responsible for addressing this through source reduction or additional onsite treatment. For example, at Lenovo's Pondicherry manufacturing facility, the treated effluent is sampled quarterly for Total Phosphorus to meet requirements of the Pondicherry Pollution Control Committee. Success is measured by quality measurements per local requirements and the number of violations (goal of zero). These procedures manage the risk of eutrophication by ensuring any discharges are within third party treatment ranges or meet any applicable local regulations in place to manage eutrophication. In addition, Lenovo's Supplier Code of Conduct, requires all suppliers to "Identify potential pollutant sources and ensure the pollutant level of air emission and water discharge are in accordance with applicable laws and regulations". Success is measured through audits.

Row 5

(2.5.1.1) Water pollutant category

Select from:

- ☒ Pathogens

(2.5.1.2) Description of water pollutant and potential impacts

Lenovo operates at many sites across the globe. Across these sites the majority of water use is for WASH services; therefore, water discharges largely have a profile similar to domestic sewage with the presence of human bacterial pathogens. If not adequately treated before discharge, the pathogens could impact local human health. An example would be local contraction of salmonella from ingestion of food that came in contact with the untreated wastewater.

(2.5.1.3) Value chain stage

Select all that apply

- ☒ Direct operations
- ☒ Upstream value chain

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

- ☒ Requirement for suppliers to comply with regulatory requirements
- ☒ Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

(2.5.1.5) Please explain

The majority (over 99%) of Lenovo's wastewater is discharged to third parties for treatment where third parties would test treated effluent for pathogens. Where Lenovo is directly responsible for discharge, sites must ensure wastewater is adequately treated onsite to meet local laws, regulations, and any permit requirements. If a site is not meeting the applicable requirements, it would be responsible for addressing this through source reduction or additional onsite treatment. For example, at Lenovo's Pondicherry manufacturing facility, the treated effluent is sampled quarterly for fecal coliforms to meet requirements of the Pondicherry Pollution Control Committee. Success is measured by quality measurements per local requirements and the number of violations (goal of zero). These procedures manage the risks to human health by ensuring any discharges are either to third party systems that are treating to remove pathogens per local requirements or are being sampled at a regular frequency for pathogen indicators. In addition, Lenovo's Supplier Code of Conduct, requires all suppliers to "Identify potential pollutant sources and ensure the pollutant level of air emission and water discharge are in accordance with applicable laws and regulations". Success is measured through audits.

Row 6

(2.5.1.1) Water pollutant category

Select from:

- ☒ Inorganic pollutants

(2.5.1.2) Description of water pollutant and potential impacts

Lenovo operates at many sites across the globe. Across these sites the majority have compliance obligations as their wastewater is discharged to third parties for treatment. High concentrations of inorganic pollutants in wastewater can be difficult to remove through wastewater treatment systems causing the resulting effluent to exceed applicable regulatory requirements. Exceeding these requirements can potentially result in negative repercussions (e.g. fines) for the operating facilities. Additionally, inorganic water pollutants such as toxic levels of heavy metals can have impacts to animal and human health. For example, if humans were to ingest too much lead via their water supplies, they could experience soft tissue and organ damage or red blood cell interference. This could lead to potential ramifications if this is traced back to Lenovo facilities.

(2.5.1.3) Value chain stage

Select all that apply

- ☒ Direct operations
- ☒ Upstream value chain

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

- ☒ Requirement for suppliers to comply with regulatory requirements
- ☒ Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

(2.5.1.5) Please explain

Sites in charge of discharge to a third party for treatment are required to characterize their wastewater to ensure it meets the incoming requirements of the third party treatment system including any inorganic pollutant requirements. For example, at Lenovo's Monterrey manufacturing facility, local discharge indicators include arsenic, cadmium, chromium, copper, nickel, mercury, lead and zinc. If a Lenovo site were to be treating their own discharges on site and have a wastewater profile that may include inorganic pollutants, it would be required to ensure applicable regulatory requirements were met through sampling for such pollutants in the treated discharge. These procedures manage the risk of animal and human health by ensuring any discharges are within third party treatment ranges for any applicable inorganic pollutants. In addition, Lenovo's Supplier Code of Conduct, requires all suppliers to "Identify potential pollutant sources and ensure the pollutant level of air emission and water discharge are in accordance with applicable laws and regulations". Success is measured through audits.

[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

☒ Yes, both in direct operations and upstream/downstream value chain

Water

(3.1.1) Environmental risks identified

Select from:

☒ Yes, both in direct operations and upstream/downstream value chain

Plastics

(3.1.1) Environmental risks identified

Select from:

☒ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☒ Insufficient data

(3.1.3) Please explain

The complexity of Lenovo's supply chain makes tracking and managing of plastics extremely difficult.
[Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:

☒ Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☒ Cyclone, hurricane, typhoon

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ China

☒ India

☒ Japan

☒ Brazil

☒ Germany

☒ Hungary

☒ Taiwan, China

☒ United States of America

☒ Mexico

(3.1.1.9) Organization-specific description of risk

Natural catastrophes, specifically natural disasters characteristic of the Asia Pacific region, were identified as a potential substantive risk for Lenovo in FY24/25. Although, the probability is uncertain, the negative consequence identified was impact on business operations in China and Asia Pacific regions. The majority of Lenovo's suppliers have operations within China and therefore, multiple basins across China is where the potential risk mainly exists. Depending on the severity and location of an extreme weather event, it could impact Lenovo by causing delays or decreases in component suppliers for Lenovo products, such as ThinkPad, IdeaPad, Yoga, Legion, Moto, and ThinkSystem.

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Decreased revenues due to reduced production capacity

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ Very unlikely

(3.1.1.14) Magnitude

Select from:

☒ Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Based on our risk assessment, this risk could lead to couple of consequences, decreased revenue due to reduced production capacity, disruption in upstream value chain, disruption in production capacity, disruption to sales. Decreased revenue due to reduce production capacity has been identified as primary financial impact,

therefore, there will be anticipated financial effects on revenue line in our financial statement. Additionally, due to disruption of supply chain and production capacity, the operating expenses will potentially be affected in our financial statement.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

0

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

276000000

(3.1.1.25) Explanation of financial effect figure

Financial impact associated with severe weather is difficult to estimate, especially from the supply chain. Actual financial impact would depend on location and magnitude of severe weather event and the type of supplier. As mentioned before, there are couple of financial consequences, here we only consider primary financial effect for calculation. Additionally, there are mitigations and controls in place for this risk. Therefore, residual risks impacts are disclosed in this question. Aligned with our ERM framework, impact of natural disaster after mitigation is low, which will result in 0%-2% negative impacts on revenue. Those extreme event likelihood based on our ERM analysis is very unlikely (20%). Therefore, the potential impact on financial could be from 0 USD (20% x 0% x FY24/25 revenue of 69,077 million USD) to 276 million USD (20% x 2% x FY24/25 revenue of 69,077 million USD).

(3.1.1.26) Primary response to risk

Policies and plans

☒ Amend the Business Continuity Plan

(3.1.1.27) Cost of response to risk

400000

(3.1.1.28) Explanation of cost calculation

Lenovo insures any locations with Lenovo assets which can include upstream locations such as ODMs and third-party storage facilities. It is estimated that total portion of the insurance premiums for flooding is about 0.4 million USD for FY24/25.

(3.1.1.29) Description of response

The first element to responding to this risk is through our business continuity plan. The program establishes plans, processes, and procedures to identify, mitigate, respond to and recover from risks associated with such events. Even in light of increasing risks, Lenovo believes the infrastructure and processes in place are adequate to address these risks with the exercise of due diligence and proper planning. Lenovo periodically reviews and updates its emergency preparedness and response and business interruption strategies, programs, and procedures. Furthermore, Lenovo's suppliers are contractually required to have Disaster Recovery Plans. These suppliers typically have multiple manufacturing locations as well. Lenovo works closely with its suppliers on the supply/demand management process to ensure needed volumes of supply materials and components are known ahead of time which minimizes supply interruptions in case of severe climate change events. There is no additional cost for this response because it is part of Lenovo's day to day business to manage a robust and resilient supply chain. It is important to Lenovo's business for many reasons in addition to climate change and therefore there is no specific cost attributed to addressing climate change through supplier diversification. The second element of the response to this risk is insurance. Lenovo insures any locations with Lenovo assets which can include upstream locations such as ODMs and third-party storage facilities. It is estimated that total portion of the insurance premiums for flooding is about US\$0.4 million.

Water

(3.1.1.1) Risk identifier

Select from:

☒ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☒ Water stress

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ China

(3.1.1.7) River basin where the risk occurs

Select all that apply

☒ Yangtze River (Chang Jiang)

(3.1.1.9) Organization-specific description of risk

In FY24/25, water management was identified as a significant environmental aspect for Lenovo. During the annual significant environmental aspect (SEA) analysis, the total risk rating of water use was determined to be 21. This exceeds the threshold of 20, which Lenovo has determined as the break between significant and not. One of the individual factors that went into the total risk rating was the business risk associated with reputational risk which was rated high. As Lenovo's largest water user in an area of extremely high (>80%) baseline water stress according to WRI's Aqueduct Water Risk Atlas, the Hefei facility is one of main contributors to Lenovo's overall water withdrawals from water stressed areas. Lenovo has seen the topic of water stewardship and security increase on its customers' and investors' agendas. One simple measure of its water impact is total water withdrawals from water stressed regions. This value is reported annually in Lenovo's public ESG Report and sometimes requested by Lenovo's customers through surveys. Responsibly managing water withdrawals is important to responding to customer and investor priorities. Failure to do so could result in brand damage and ultimately loss of customers or investors which could impact Lenovo's overall revenue.

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Brand damage

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ Unlikely

(3.1.1.14) Magnitude

Select from:

☒ Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Financial impact associated with reputational/brand damage is difficult to estimate, but the risk is likely to increase with time as customers' expectations for corporate water stewardship increases. Lenovo assumes that failure to meet customers expectation at this time could lead to a 0-0.5% decrease in market share.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

0

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

86346250

(3.1.1.25) Explanation of financial effect figure

Financial impact associated with reputational/brand damage is difficult to estimate, but the risk is likely to increase with time as customers' expectations for corporate water stewardship increases. Lenovo assumes that failure to meet customers expectation at this time could lead to a 0 - 0.5% decrease in market share solely associated with the water stress/water management risk. As this does not have a high likelihood of occurrence, Lenovo has added a 25% modifier to account for the lack of probability. Lenovo estimates that potential financial impact from the unmitigated risk could be from 0 USD to around 86,346,250 USD (0.005 x 25 x Lenovo FY24/25 annual revenue of 69,077 million USD).

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☒ Greater compliance with regulatory requirements

(3.1.1.27) Cost of response to risk

0

(3.1.1.28) Explanation of cost calculation

There is no cost beyond business as usual. Employees associated with the facilities are responsible for monitoring the development of new water regulations that may affect them. Additionally, Lenovo's EMS is built on a foundation of compliance and monitoring all applicable environmental regulations. This occurs as part of Lenovo's ongoing practice and occurs with no specific fees. Cost to comply with new regulations should they apply may require investment from Lenovo, but it would depend on specific requirements of the regulation and the yet to be determined cost for exceeding the target.

(3.1.1.29) Description of response

Lenovo requires that all sites comply with applicable water regulations. Local environmental teams actively monitor for development of any new water conservation regulations that would apply to the site. If it appears that Lenovo may exceed a new locally set target, a water conservation measure could be implemented to help ensure water use is below the target. Water use in excess of the target will cost the facility more, but the price has not been determined yet. Lenovo may proactively consider additional water conservation measures that could be implemented to ensure new water targets are met.

Water

(3.1.1.1) Risk identifier

Select from:

☒ Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Reputation

☒ Increased partner and stakeholder concern or negative partner and stakeholder feedback

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ China

(3.1.1.7) River basin where the risk occurs

Select all that apply

☒ Yangtze River (Chang Jiang)

(3.1.1.9) Organization-specific description of risk

In FY24/25, water management was identified as a significant environmental aspect for Lenovo. During the annual significant environmental aspect (SEA) analysis, the total risk rating of water use was determined to be 21. This exceeds the threshold of 20, which Lenovo has determined as the break between significant and not. One of the individual factors that went into the total risk rating was the business risk associated with reputational risk which was rated high. As Lenovo's largest water user in FY24/25, the Wuhan China facility is one of the main contributors to Lenovo's overall water use. Lenovo has seen the topic of water stewardship and security increase on its customers' and investors' agendas. One simple measure of its water impact is total water withdrawals. Responsibly managing water withdrawals is important to responding to customer and investor priorities. Lenovo has seen the importance increase with customer and investors over time and Lenovo is regularly responding to inquiries about its environmental practice including water management. Failure to do so could result in brand damage and ultimately loss of current or potential customers or investors which could impact Lenovo's overall revenue.

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Brand damage

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ Unlikely

(3.1.1.14) Magnitude

Select from:

☒ Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Financial impact associated with reputational/brand damage is difficult to estimate, but the risk is likely to increase with time as customers' expectations for corporate water stewardship increases. Lenovo assumes that failure to meet customers expectation at this time could lead to a 0-0.5% decrease in market share.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

0

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

86346250

(3.1.1.25) Explanation of financial effect figure

Financial impact associated with reputational/brand damage is difficult to estimate, but the risk is likely to increase with time as customers' expectations for corporate water stewardship increases. Lenovo assumes that failure to meet customers expectation at this time could lead to a 0 - 0.5% decrease in market share solely associated with the water stress/water management risk. As this does not have a high likelihood of occurrence, Lenovo has added a 25% modifier to account for the lack of probability. Lenovo estimates that potential financial impact from the unmitigated risk could be from 0 USD to around 86,346,250 USD (0.005 x.25 x Lenovo FY24/25 annual revenue of 69,077 million USD).

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☒ Adopt water efficiency, water reuse, recycling and conservation practices

(3.1.1.27) Cost of response to risk

60000

(3.1.1.28) Explanation of cost calculation

In an effort to achieve a higher water efficiency to respond to the risk, the site made equipment upgrades as well as implemented water saving appliances/devices for many domestic water sources. The cost of these varied but the site estimates it spent approximately 60,000 RMB in the FY.

(3.1.1.29) Description of response

Lenovo's Wuhan manufacturing facility is one of its main water users. In an effort to adopt better water efficiency practices, the site has worked to identify ways to better measure and manage the site's water use. During the current reporting period, this site upgraded its domestic water equipment (e.g. implemented water saving appliances for faucets, toilets, etc.). The site has also optimized its constant water pressure supply system to reduce equipment consumption.

Climate change

(3.1.1.1) Risk identifier

Select from:

☒ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Market

☒ Changing customer behavior

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Downstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

- | | |
|--|--|
| ☒ China | ☒ Germany |
| ☒ India | ☒ Hungary |
| ☒ Japan | ☒ Taiwan, China |
| ☒ Brazil | ☒ United States of America |
| ☒ Mexico | |

(3.1.1.9) Organization-specific description of risk

Lenovo recognizes risks associated with climate related impacts on consumer purchasing habits. The broad-based economic impacts of climate change on product demand, pricing and consumer spending have the potential to impact Lenovo product sales such as ThinkPad, IdeaPad, Yoga, Legion, Moto, and ThinkSystem. There are couple of observations reflected Lenovo's customer behavior changes toward more sustainable products. We have seen increased request sustainability information, such as product footprint, in RFP documents. Some customers also requested further discussion or workshop prior making procurement decision. Additionally, the sustainability service or our product with sustainable features have been brought up very often during customer briefing. Those observations indicate gradually customer preference changes on more sustainable products and services. Without taking consideration this in our product and service portfolio could potentially lead to financial risk to Lenovo.

(3.1.1.11) Primary financial effect of the risk

Select from:

- ☒ Decreased revenues due to reduced demand for products and services

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- ☒ Short-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- ☒ Very unlikely

(3.1.1.14) Magnitude

Select from:

☒ Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Based on our risk assessment, this risk could lead to couple of consequences, decreased revenues due to reduced demand for products and services, change in revenue mix and sources, constraint to growth. Decreased revenues due to reduced demand for products and services has been identified as primary financial impact, therefore, there will be anticipated financial effects on revenue line in our financial statement.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ Yes

(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

0

(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

276000000

(3.1.1.25) Explanation of financial effect figure

Financial impact associated with climate change related customer behavior change is difficult to estimate, as there are many factors could impact customer's procurement decision. Actual financial impact would not be able to separate from revenue impact from all different customer preference changes. As mentioned before, there are couple of financial consequences, here we only consider primary financial effect for calculation. Additionally, there are mitigations and controls in place for this risk. Therefore, residual risks impacts are disclosed in this question. Aligned with our ERM framework, impact of changing customer behavior after mitigation is low, which will result in 0%-2% negative impacts on revenue. The likelihood based on our ERM analysis after mitigation is very unlikely (20%). Therefore, the potential impact on financial could be from 0 USD (20% x 0% x FY24/25 revenue of 69,077 million USD) to 276 million USD (20% x 2% x FY24/25 revenue of 69,077 million USD).

(3.1.1.26) Primary response to risk

Diversification

☒ Develop new products, services and/or markets

(3.1.1.27) Cost of response to risk

3200000

(3.1.1.28) Explanation of cost calculation

Lenovo has spend around 3.2 million USD on all different certification, including EPEAT, ENERGY STAR, TCO, CECP, CEL and CELP label certifications along with other miscellaneous product certifications.

(3.1.1.29) Description of response

Lenovo has research and development labs in China, Germany, Japan, Taiwan, and the United States. Lenovo's customer focus helps us develop new products at these locations that are in tune with the changing demands of the marketplace. A development process that recognizes energy efficiency as a primary product attribute drives the development of energy efficient products complying with worldwide standards and certifications (e.g., ENERGY STAR®, EPEAT, UL Environment, GREENGUARD, EMCA-370 or TCO Certification). The cost reported here only includes the certification fees, the relevant R&D expenses were not separately identifiable to this climate-related risk specifically as they were not solely related to nor attributable to responding to the risk.

[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:

☒ Revenue

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☒ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☒ Less than 1%

(3.1.2.7) Explanation of financial figures

For the material physical risks and transition risks listed above, Lenovo's ERM metric has been used for the assessment. Even the metric has corresponding potential financial impacts, the quantitative impacts on financial metrics or % of financial metrics vulnerable to risks will be affected by multiple factors, not only climate change. For example, supply chain disruption will potentially lead to financial impacts, however, it is an aggregated level assessment. With current tool and resource, it is unlikely to differentiate the potential financial impacts of supply chain disruption from severe weather events, geographic policy changes, or any other factors. Therefore, Lenovo takes a conservative approach to the assessment and decides not disclosing numbers in this section due to the capability and resource limitation. With no numbers inputs in the section, the impacts for both type of risks will be less than 1%.

Water

(3.1.2.1) Financial metric

Select from:

☒ OPEX

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☒ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☒ Less than 1%

(3.1.2.7) Explanation of financial figures

The OPEX expenses are vulnerable to water risk and water transition as they can vary greatly depending on the locations water conditions (overall scarcity, availability of fresh water, etc.). Additionally, locations in areas with higher risk of water related catastrophic incidences are seeing increased insurance costs. These costs are rolled into OPEX and as the climate changes globally so do the water related risks. Lenovo's primary water related OPEX expenses are utility cost.
[Add row]

(3.2) Within each river basin, how many facilities are exposed to substantive effects of water-related risks, and what percentage of your total number of facilities does this represent?

Row 1

(3.2.1) Country/Area & River basin

China

☒ Yangtze River (Chang Jiang)

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

☒ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

2

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

☒ 1-25%

(3.2.10) % organization's total global revenue that could be affected

Select from:

☒ Less than 1%

(3.2.11) Please explain

Within the Yangtze basin there are two of Lenovo's manufacturing facilities. One in Wuhan, China and the other in Hefei, China. Due to the two facilities sizes, they were the top two water users in the company's in FY24/25. Water is used at the sites for employee support in bathrooms and canteen, for building cooling, and some landscaping. The percent of total global revenue is a rough estimate based on Lenovo's FY24/25 revenue, an estimate of Lenovo's inhouse production's contribution to overall revenue, an estimate of the percent of inhouse production completed at this facility. Actual impacts are mitigated through Lenovo's overall programs for monitoring, disaster management planning, and diversified manufacturing footprint (both Lenovo owned facilities and outsourced manufacturing facilities).

Row 2

(3.2.1) Country/Area & River basin

China

☒ Other, please specify :Ziya He

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

☒ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

2

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

☒ 1-25%

(3.2.10) % organization's total global revenue that could be affected

Select from:

☒ Less than 1%

(3.2.11) Please explain

Within the Ziya He basin there are two of Lenovo's larger water users. The Beijing, China facility is a company headquarters location, and the other is the Tianjin manufacturing facility. These facilities are two of Lenovo's top 10 water users. The percent of total global revenue is a rough estimate based on Lenovo's FY24/25 revenue and an estimate of how much the supporting functions carried out at this location support that revenue. Actual impacts are mitigated through water withdrawal monitoring, compliance with local regulations, and ability to transfer most functions to work from home at this facility, and having multiple headquarter locations.

Row 3

(3.2.1) Country/Area & River basin

Mexico

☒ Bravo

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

☒ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

1

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

☒ 1-25%

(3.2.10) % organization's total global revenue that could be affected

Select from:

☒ Less than 1%

(3.2.11) Please explain

Lenovo operates a manufacturing facility in Monterrey, Mexico which lies in the Mexico Bravo basin. The facility is one of Lenovo's top 10 water users. Water is used at the site for employee support in bathrooms and canteen, for building cooling, and some landscaping. The percent of total global revenue is a rough estimate based on Lenovo's FY24/25 revenue, an estimate of Lenovo's inhouse production's contribution to overall revenue, an estimate of the percent of inhouse production completed at this facility. Actual impacts are mitigated through Lenovo's overall programs for monitoring, disaster management planning, and diversified manufacturing footprint (both Lenovo owned facilities and outsourced manufacturing facilities).

[Add row]

(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Comment
	Select from: ☒ No	No fines, enforcement or regulatory violations.

[Fixed row]

(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Select from:

☒ Yes

(3.5.1) Select the carbon pricing regulation(s) which impact your operations.

Select all that apply

☒ Beijing pilot ETS

☒ Shenzhen pilot ETS

(3.5.2) Provide details of each Emissions Trading Scheme (ETS) your organization is regulated by.

Beijing pilot ETS

(3.5.2.1) % of Scope 1 emissions covered by the ETS

11.9

(3.5.2.2) % of Scope 2 emissions covered by the ETS

16.5

(3.5.2.3) Period start date

01/01/2023

(3.5.2.4) Period end date

12/31/2023

(3.5.2.5) Allowances allocated

29772

(3.5.2.6) Allowances purchased

3331

(3.5.2.7) Verified Scope 1 emissions in metric tons CO2e

592.93

(3.5.2.8) Verified Scope 2 emissions in metric tons CO2e

32509.78

(3.5.2.9) Details of ownership

Select from:

☒ Facilities we own and operate

(3.5.2.10) Comment

Beijing pilot ETS is running in parallel with China national ETS. Note 1: All direct emissions (scope 1) are from facilities we own and operate. Most of the indirect emissions (scope 2) are from facilities we own and operate. Note 2: The gap between emitted emissions and allowed emitted emissions was covered by the allowances were purchased in 2023 as well as allowance surplus balance from the previous year.

Shenzhen pilot ETS

(3.5.2.1) % of Scope 1 emissions covered by the ETS

0

(3.5.2.2) % of Scope 2 emissions covered by the ETS

14

(3.5.2.3) Period start date

01/01/2024

(3.5.2.4) Period end date

12/31/2024

(3.5.2.5) Allowances allocated

20424

(3.5.2.6) Allowances purchased

5013

(3.5.2.7) Verified Scope 1 emissions in metric tons CO2e

0

(3.5.2.8) Verified Scope 2 emissions in metric tons CO2e

25331

(3.5.2.9) Details of ownership

Select from:

☒ Facilities we own and operate

(3.5.2.10) Comment

There are two sites are in scope of Shenzhen ETS (LSTC and LIPC). LIPC has enough allowance to cover the its carbon emission, while LSTC purchased additional allowances to offset its emissions.

[Fixed row]

(3.5.4) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

In China, the factory in Wuhan, the factory in Shenzhen, and the headquarters in Beijing have all been included in their respective local Carbon Trading Systems. Lenovo has assigned dedicated personnel at each location to be responsible for carbon emissions and carbon trading matters. We conduct third-party carbon emission verification every year, and compare the verification results with the allocated allowances to decide whether to purchase additional quotas on the market. Please note that Beijing ETS information is based on 2023 data, both Beijing ETS and Hubei ETS allowance in 2024 are not available by the time we report, both information will be disclosed in next CDP survey. As a global company, Lenovo has established energy management systems in all of its factories, product R&D centers, and the Beijing headquarters, all of which have passed audits and obtained ISO 50001 certification. We set annual energy management objectives and targets, and implement energy improvement projects to reduce carbon emissions. Additionally, the company maximizes the use of clean energy: solar power generation devices and solar water heating devices are installed at the Wuhan factory, and Shenzhen factory and Beijing headquarters,. We also purchase green electricity in various locations to reduce carbon emissions from our operating sites. Since our business is developing constantly, we are expecting a need to purchase allowances. The above-implemented energy efficiency and renewable energy projects will help us meet the emissions reductions requirements Case Study of Applying Strategy: In 2024, the solar power generation of Shenzhen Factory was 1,334,892 kWh, which can reduce carbon emissions by 1267 tCO2 annually. The solar power generation of Wuhan Factory was 1,277,376 kWh, with an annual reduction of 672 tCO2. in carbon emissions. The Beijing headquarters totally purchased 16,073,650 kWh of green electricity in 2024, which is expected to reduce carbon emissions by 9708 tCO2. * The above data are calculated based on the local power emission factors.

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	Select from: ☒ Yes, we have identified opportunities, and some/all are being realized
Water	Select from: ☒ Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☒ Development of new products or services through R&D and innovation

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ China

☒ India

☒ Japan

☒ Brazil

☒ Mexico

☒ Germany

☒ Hungary

☒ Taiwan, China

☒ United States of America

(3.6.1.8) Organization specific description

Lenovo recognizes an opportunity in changes to product efficiency regulations and standards driven by climate aspects. Lenovo expects that more regulations on energy efficiency will be developed worldwide as more countries take action on climate change. Lenovo's historical and continued focus on product and operations

energy efficiency provides a positive product differentiator in a regulatory environment that increasingly values these attributes. Lenovo offers a full complement of ENERGY STAR® qualified notebooks (~88% of all notebook platforms), desktops (~85% of all desktop platforms), workstations (~100% of all workstation platforms), monitors (~52% of all monitors), and servers (~71% of all server platforms). Lenovo's Infrastructure Solutions Group is also focused on increasing the energy efficiency of the Company's server offerings. The latest generation of Lenovo Neptune™ liquid cooling technology extends to mainstream servers, has new on-memory cooling technology for ThinkSystem platform and industry-unique cold plate designs. And new warm-water cooling designs will allow operation without the need for any specialized data center air conditioning. Lenovo Neptune™ liquid cooling technology helps to optimize product performance by capturing up to 98 percent of the system heat and reducing power consumption by up to 40 percent.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- ☒ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- ☒ Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

- ☒ About as likely as not (33–66%)

(3.6.1.12) Magnitude

Select from:

- ☒ Medium-low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The opportunity identified here will have primary anticipated financial impacts on our revenue line in our financial statement in short term.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ Yes

(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

691000000

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

1727000000

(3.6.1.23) Explanation of financial effect figures

Expected future demand for energy efficient products is hard to estimate but increase in sales can reasonably be expected based on general increasing interest in energy efficiency and the fact that Lenovo offers superior products for powerful, energy efficient computing. By assuming that our ability to meet new demand for high efficiency products could lead to a 2% to 5% increase in revenue in a given year, and likelihood of this opportunity is about as likely as not (50%), we have estimated that opportunity impact could be from 691 million USD (50% x 2% x FY24/25 revenue of 69,077 million USD) to 1,727 million USD (50% x 5% x FY24/25 revenue of 69,077 million USD)

(3.6.1.24) Cost to realize opportunity

3200000

(3.6.1.25) Explanation of cost calculation

The cost associated with realization of this opportunity in terms of eco labels are approximately 3.2 million USD. This figure includes costs for EPEAT, ENERGY STAR, TCO, CECP, CEL and CELP label certifications along with other miscellaneous product certifications.

(3.6.1.26) Strategy to realize opportunity

Energy efficiency is a targeted attribute of the Lenovo product development process. We recognize the opportunity of our strong product energy efficiency with lower emission footprint and offer a full complement of ENERGY STAR® qualified products, including ThinkPad, IdeaPad, Yoga, Legion and ThinkSystem. Select Lenovo newly released ENERGY STAR® qualified desktop and notebook platforms and monitors exceed the current applicable ENERGY STAR® power consumption requirements (by 25% to +60%). Additionally, Lenovo offers EPEAT Gold and Silver rated products and has many TCO and TCO Edge Certified notebooks, displays, all-in-one and desktops. The cost reported here only includes the certification fees, the relevant R&D expenses were not separately identifiable to this climate-related opportunity specifically as they were not solely related to nor attributable to responding to the opportunity.

Water

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

☒ Reduced water usage and consumption

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ China

(3.6.1.6) River basin where the opportunity occurs

Select all that apply

☒ Yangtze River (Chang Jiang)

(3.6.1.8) Organization specific description

Lenovo's continued focus on product and operational energy efficiency provides a positive product differentiator in a regulatory environment that increasingly values these attributes. Lenovo offers a full complement of ENERGY STAR qualified notebooks (~88% of all platforms), desktops (~85% of all platforms), workstations (~100% of all platform), monitors (~52% of all monitors), and servers (~71% of all platforms). Improved energy efficiency of products also improves the products' indirect water use since often the energy generation mix on the grid involves traditional energy generation technologies with associated water impacts.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- ☒ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- ☒ Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

- ☒ Likely (66–100%)

(3.6.1.12) Magnitude

Select from:

- ☒ Medium-low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Customers are increasingly focused on energy efficiency as a way to save on energy costs and meet their own greenhouse gas emission reduction targets. In addition, data center components (CPUs and GPUs) become increasingly powerful each year and these more powerful units generate more heat requiring more energy to cool. Lenovo identified an opportunity in helping meet customers' needs for powerful, but energy efficient data centers with liquid-cooling technologies. To meet this, Lenovo offers its award-winning Lenovo Neptune® which is a suite of liquid-cooling technologies that deliver improved performance with less energy. An early application example of these technologies was at the Leibniz-Rechenzentrum Supercomputing Centre (LRZ) where with Direct to Node (DTN) warm-water cooling a controlled loop of water is used to extract heat from the cluster using a fraction of the energy of an air-cooled system. According to the Head of High Performance Systems at the Leibniz Supercomputing Centre, with the second installation phase, LRZ was able to reduce energy costs by 35%. For at least the next 10 years, Lenovo expects to continue to develop, produce, and market the Neptune liquid-cooling technologies to meet the needs of energy efficiency-focused customers. Lenovo is experiencing increased interest in and sales of its Neptune® offerings from customers looking for more performance with a smaller energy footprint. Lenovo anticipates this being an opportunity that will grow for a long time as customer interest in powerful but efficient data centers continues to grow. Though Lenovo has begun to realize this opportunity already, there will continue to be opportunities for realization.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ Yes

(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

690770000

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

3453850000

(3.6.1.23) Explanation of financial effect figures

Expected future demand for energy efficient products is hard to estimate but increase in sales can reasonably be expected based on general increasing interest in energy efficiency and the fact that Lenovo offers superior products for powerful, energy efficient computing. By assuming that Lenovo's ability to meet new demand for high efficiency products could lead to a 1% to 5% increase in revenue in a given year, Lenovo estimates here that opportunity to be around US \$690,770,000 (0.01 x Lenovo FY24/25 annual revenue of US 69,077,000,000) to US \$3,453,850,000 (0.05 x Lenovo FY24/25 annual revenue of US69,077,000,000).

(3.6.1.24) Cost to realize opportunity

0

(3.6.1.25) Explanation of cost calculation

Lenovo can continue to operate business as usual in order to achieve this. Lenovo has many teams and initiatives in place to continue to provide services and products to customers that are working towards researching climate change and adaptation, specifically meteorology modeling and water risk modeling.

(3.6.1.26) Strategy to realize opportunity

Lenovo believes there is no additional strategy needed to realize this opportunity as it is already in progress.
[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:

☒ OPEX

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

0

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☒ Less than 1%

(3.6.2.4) Explanation of financial figures

Similar as risks, for the opportunity identified in above section, potential financial impacts of new products and service development comes from climate change are unable to differentiate from other factors, such as AI or other features. The R&D expenses in the finance statement cover all development cost not limited to developing more sustainable products with better energy efficiency and higher recycle content. Therefore, Lenovo takes a conservative approach to the assessment and decides not disclosing numbers in this section due to the capability and resource limitation. With no numbers inputs in the section, the impacts for reporting year from the opportunity disclosed above will be less than 1%.

Water

(3.6.2.1) Financial metric

Select from:

☒ Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

0

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☒ 1-10%

(3.6.2.4) Explanation of financial figures

Lenovo estimates both opportunities above at maximum sum to less than 10% but more than 1% of our total revenue in FY24/25.

[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

☒ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☒ Quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☒ Executive directors or equivalent

☒ Non-executive directors or equivalent

☒ Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☒ Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

The Board values diversity as a factor in selecting candidates to serve on the Board and believes that the diversity which exists in its composition provides significant benefits to the Board and the Company and forms an important part of the nomination policy (the "Nomination Policy") as adopted by the Board. The Board believes that a key success factor of an effective Board is that it comprises a range and balance of skills, experience, knowledge and independence, with individuals that work as a team. The adoption of Board Diversity Policy is to ensure that diversity in its broadest sense continues to remain a feature of the Board. All Board appointments are made on merit, in the context of the skills, experience and gender diversity, the Board as a whole requires being effective. The details of the appointment process

are disclosed on page 69 of FY24/25 annual report. The Nomination and Governance Committee has been delegated with the responsibilities for the review of the Board Diversity Policy, among others, the implementation and effectiveness thereof, on an annual basis.

(4.1.6) Attach the policy (optional)

lenovo-board-diversity-policy-may-23-2013.pdf
[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	Select from: ☒ Yes
Water	Select from: ☒ Yes
Biodiversity	Select from: ☒ Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board’s oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply