HKD COUNTER STOCK CODE 992
RMB COUNTER STOCK CODE 80992

2024/25 Environmental, Social and Governance Report

Lenovo Group Limited

Smarter technology for all

Lenovo

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1.0 Executive letters

A letter from our Chairman and CEO

2025 marks Lenovo's 20th anniversary of our journey as a global corporate citizen. Today, we are a technology powerhouse enabling hybrid AI for all through the delivery of smart devices, infrastructure, solutions and services across more than 180 markets. We are powered by a global and culturally diverse workforce from our top leadership to our in-market teams. And we are committed to demonstrating our corporate citizenship through alignment to best-in-class industry standards in ESG.

Responsible governance in the era of AI

As our business focuses on enabling smarter AI for all, we continue to govern our use and application of AI across our business. Building on the creation of the Responsible AI Committee in 2022, in 2024 we implemented a company-wide policy governing the use of AI in our workforce and our technology. The policy covers ethical, legal, safety and privacy concerns related to AI, and aligns to additional external commitments we have signed on to this year including European Commission's AI Pact, Government of Canada's Voluntary Code of Conduct on the Responsible Development and Management of Advanced Generative AI Systems, and UNESCO's Commitment for Responsible AI.

By blending external recommendations with our own values of inclusion, sustainability, privacy and security, our AI policy is working to safeguard and ensure AI's future and potential benefit for humanity.

Innovating for Social Impact

At Lenovo's Tech World event in October 2024, I was proud to once again feature an impactful example of AI's potential to serve humanity. Through Lenovo's collaboration with the Scott-Morgan Foundation and DeepBrain AI, we created an AI Avatar that holds game-changing possibilities to enable communication for people with severe physical disabilities. I continue to be moved by the potential of AI to enable, connect and preserve human communication, and how this brings our smarter technology for all vision to life. In addition to inspiring new technology innovations, in 2024 we also shared a policy that ensures AI solutions embedded in our own technology are reviewed to mitigate any unintended or exclusionary biases based on a user's background or ability.

AI for Sustainability

AI's transformative impact is not limited to human and social impact issues. It also stands to revolutionize our ability to measure and better manage our impact on the planet. In 2024, we harnessed the power of generative AI through Lenovo Intelligent Sustainability Solutions Advisor (LISSA) solution to estimate emissions across the IT lifecycle. In October, we proudly shared the Lenovo ESG Navigator solution in select markets after developing and applying it in our own factories. The tool helps monitor key ESG metrics at our customers' factory sites and delivers near-real-time insights on greenhouse gas (GHG) emissions and energy use.

While we embed sustainability and AI in our services-led transformation, we are also innovating to improve energy efficiency for computing with the next era of Lenovo Neptune™ liquid cooling technology. The latest generation reshapes our traditional water cooling and data center design with 100% heat removal, allowing customers to run 100KW+ server racks without specialized air conditioning. The improved efficiency and simplification of the new Lenovo Neptune™ liquid cooling enables supercomputing for organizations of all sizes with scalable solutions and services.

Progress and recognitions

I am proud to see the dedication and commitment of our teams reflected in the achievements received this fiscal year:

- EcoVadis awarded Lenovo with a Platinum Medal in its global sustainability ratings.
- CDP recognized Lenovo for Climate Change Leadership (A) and Water (A-).
- Lenovo is ranked #10 in Gartner's 2024 Global Supply Chain Rankings.
- MSCI awarded Lenovo with AAA in its ESG Assessment Ratings.
- Lenovo received the Gold Award in the Most Sustainable Companies/Organizations category of the Best Corporate Governance and ESG Awards, organized by the Hong Kong Institute of Certified Public Accountants (HKICPA).

The age of AI is here, and the tenets of responsible self-governance, human-centered innovation, and prioritizing sustainability will ensure that we realize our vision of delivering smarter AI for all. Our consistent, values-based approach and the authentic strength of our global diversity are core to our resilience as we work toward our future goals and a smarter, more sustainable future.

Yuanqing Yang
Chairman and Chief Executive Officer
Lenovo Group Limited

A letter from our Chief Legal & Corporate Responsibility Officer

Lenovo set its first emissions reduction targets in 2010 and we've seen many changes in the fifteen years that have followed. Claims and commitments have been made, standards have been created, and climate change has grown as a disruptive risk for businesses around the world. Through many trends and shifts, Lenovo has continued to measure and share our greenhouse gas (GHG) emissions annually in this report. In 2020, we met our first generation of GHG emissions reduction targets and set our second generation of targets aligned to the Science Based Targets initiative's Net-Zero Standard. For all the changes we've seen and all those yet to come, credibility and collaboration have persevered as the hallmarks of all our sustainability.

In the past few years, Artificial Intelligence has enabled sweeping changes and efficiencies across industries, bringing benefits to the sustainability space. We've seen use cases for AI that enable stronger measurement, more efficient data consolidation, and improve our understanding of how our environmental impact could help us overcome the most challenging battles in the fight against climate change.

In 2023, after having our net-zero emissions reduction targets validated by the Science Based Targets initiative, Lenovo shared its Climate Transition Plan. This plan continues to guide our work to measure and manage emissions across our global enterprise. Our close planning and oversight have kept us on-track for our near-term 2030 emissions reduction targets.

This year Lenovo hosted its first Lenovo 360 Circle Summit in Brussels, bringing together stakeholders from two of our strongest collaborative initiatives in sustainability – the Lenovo 360 Circle and the Supply Chain Emissions Reduction Program. The Lenovo 360 Circle's channel partner community has been working together since 2022 to accelerate progress towards common sustainability goals. Together with the Supply Chain Emissions Reduction Program, which focuses on engaging suppliers as they seek to make climate disclosures, set science-based targets, and deploy renewable energy, we can create alignment and share best practices with important stakeholders across our value chain. The conversations, cooperation, and sincere commitment to making a positive impact during the Summit demonstrated the change we can make through our global scale and networks.

As a global corporate citizen, Lenovo understands the importance of making a positive social impact and invests in the wellbeing and empowerment of communities around the world. We are on-track to directly impact more than 15 million lives through our philanthropic strategy from 2020-2025, made possible by programs like the annual employee-led Love on Month of Service and its record-breaking impact in 2024. Our employee engagement programs build our 'We Are Lenovo' culture and create an inclusive workplace. Lenovo continues to be focused on fostering inclusion in our global workplaces and understands the importance of creating an environment where all can succeed. Embracing people of all backgrounds and abilities is critical to Lenovo's vision of providing smarter technology for all. We're proud of the recognition we've received as we make progress towards stronger global inclusion in our workforce.

As we look ahead to FY 2025/26, we approach several new milestones in our ESG journey. Next year will mark the completion of the first generation of corporate ESG targets. It will also be a year of transition for our Chief Legal and Corporate Responsibility Officer role, as I retire from Lenovo's management at the end of this fiscal year, and am succeeded in this role by David Carroll. Under his leadership, we will look forward to learning from this first generation of business goals and continuing our track record of improvement with the next generation of targets. Just like our first emissions reduction targets set in 2010, we will continue to measure, manage, and communicate our performance and insights, collaborating along the way to create a smarter, more sustainable future for all.

Laura Quatela
Senior Vice President, Chief Legal & Corporate Responsibility Officer
Lenovo Group Limited

2.0 About this report

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About this report

This is the 19th annual Environmental, Social, and Governance (ESG) Report of Lenovo Group Limited+ (HKD counter stock code: 992/RMB counter stock code: 80992) (the Company), which covers the Fiscal Year (FY) 2024/25 (April 1, 2024 – March 31, 2025). This report is considered a companion document to the Company's FY 2024/25 Annual Report. The annual ESG update can be found in the Management's discussion & analysis of the Annual Report.

Report content

The content of this report is guided by the then ESG Reporting Guide applicable to the Company for FY 2024/25 (renamed as the ESG Reporting Code with effect from January 1, 2025) as set out in Appendix C2 to the Rules Governing the Listing Rules of Securities (Listing Rules) on The Stock Exchange of Hong Kong Limited (the Hong Kong Stock Exchange), the Global Reporting Initiative (GRI) Standards, and the needs of Lenovo's stakeholders. This report has been prepared with reference to the GRI 2021 Standards and in accordance with the ESG Reporting Guide of the Hong Kong Stock Exchange. The GRI content index and the Hong Kong Stock Exchange's ESG Reporting Guide content index are included in the Appendix of this report. The Company has complied with all mandatory disclosure requirements and "comply or explain" provisions, including following the reporting principles, as set out in the ESG Reporting Guide of the Hong Kong Stock Exchange.

Lenovo adheres to the following reporting principles in preparing the report:

Materiality – Lenovo conducts regular materiality assessments and stakeholder engagement to identify and report on material ESG issues to investors and other stakeholders.

Quantitative – Lenovo, where appropriate, sets targets with the aim to reduce its impacts and to evaluate and validate its efforts in a measurable manner.

Balance – Lenovo aims to present information in a transparent and unbiased manner to provide a holistic view of its overall ESG performance.

Consistency – Lenovo aims to use consistent methodologies to allow for meaningful comparisons of ESG data over time and provide information where there are significant changes.

External assurance

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

Scope of this report

For purposes of this report, unless the context otherwise requires, the terms "Lenovo" or "Lenovo Group" or the "Group" refers to Lenovo Group Limited together with its subsidiaries. The contents of this report apply to the Company, together with its principal Lenovo-branded and Motorola-branded subsidiaries (the Covered Entities), except where noted. Where certain topics also include other principal subsidiaries, it is noted. The scope of the Covered Entities' material topics and the boundaries within their value chain are detailed in the table included in the Appendix of this report. The table also includes the scope of coverage for the information that extends to subsidiaries directly or indirectly held by the Company and that are identified in the FY 2024/25 Annual Report. All disclosures and results are for the Group's progress in FY 2024/25 unless otherwise noted. The scope of this report was determined using a financial threshold with reference to the contributions of the subsidiaries or operations to the total revenue of the Group.

Basis of calculations

All financial data is denoted in US Dollars. Lenovo may in some instances face various challenges when measuring its performance. If there are contingencies associated with the data provided, those contingencies will be noted in the documentation.

Contact information

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+ *Lenovo Group Limited is the ultimate holding company of Lenovo Group. As a holding company, it does not design, develop, manufacture, or distribute products or services, or control any activities of the Company's subsidiaries in the design, development, manufacture, or distribution of products or services.*

Organizational profile

Lenovo is a US$69 billion revenue global technology powerhouse. Ranking #248 in the Fortune Global 500 in 2024, Lenovo serves millions of customers every day in 180 markets. The Company is incorporated and listed in Hong Kong SAR, China, and Lenovo's headquarters are in Beijing, China, and North Carolina, USA. 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.

The Company acquired IBM's PC Division in May 2005. In January 2011, Lenovo announced a joint venture with NEC Corporation, which resulted in the creation of the largest PC group in Japan. In October 2014, the Company acquired both Motorola Mobility and IBM's X86 servers. In November 2017, Lenovo launched a joint venture with Fujitsu Limited. In 2022, the Company announced a strategic partnership with PCCW Limited to form a technology solutions powerhouse, leveraging the combined strengths of both companies. Most recently in January 2025, the Company and Alat Technologies Company, a PIF company, announced the completion of a US$2 billion investment and reached strategic collaboration agreements.

Material topics

Lenovo recognizes the importance of understanding a variety of informed perspectives as it develops and drives its ESG programs. Through ongoing engagement with stakeholders, Lenovo identifies ESG-related material topics through a process that includes a range of inputs which align with its significant environmental, social, and governance impacts; or that substantively influence the decisions of stakeholders. The process outcomes help guide the Group's ESG goals, targets, disclosure practices, and ongoing engagement with its stakeholders.

For FY 2023/24, 28 ESG topics were identified as potentially material to Lenovo based on considerations including but are not limited to desktop research, results from customer surveys and investor outreach, benchmarking analysis, updates from non-governmental organizations (NGOs), industry, and regulators, internal strategy, and regular interactions between internal and external stakeholders. Through a survey, the topics were rated and prioritized by 50 internal stakeholder representatives (representatives) who were selected based on considerations, as it relates to ESG, including the extent of regular interactions between the representatives and the represented stakeholder groups, and the extent of knowledge of and/or experience with or in the represented stakeholder groups, Lenovo, and the IT industry.

The topics were rated and prioritized by considering the degree of importance of each topic related to Lenovo's business continuity, Lenovo's stakeholders, and Lenovo's impact on the economy, environment, and people, including human rights.

For FY 2024/25, 28 representatives, selected based on the aforementioned considerations, were engaged via a survey to ensure that the material topics remain valid. The validity was confirmed resulting in no change to the material topics.

For both reporting periods, the Board of Directors and the ESG Executive Oversight Committee (ESG EOC) of the Company have reviewed and approved the materiality assessment process and results, ensuring that there is alignment with the Group's policies, business strategies, and risk priorities. Details regarding Lenovo's ESG Governance and the role of the ESG EOC are included in the Governance section of this report.

Lenovo is enhancing its materiality assessment process as it prepares for various upcoming regulatory requirements including Corporate Sustainability Reporting Directive (CSRD). Disclosures in subsequent reporting periods will reflect any changes made.

The material topics for the FY 2024/25 reporting year and associated report sections are detailed in the chart below.

Topics	Report section
Environment	
Climate change	Climate change
Energy management	Climate change
Product end-of-life management and carbon footprint	Environmentally conscious products Product end-of-life management (PELM)
Product materials	Environmentally conscious products
Product packaging	Packaging
Product repairability	Environmentally conscious products
Supply chain management – environmental	Supply chain ESG practices
Transportation and distribution	Climate change
Waste management	Waste
Water management	Water
Social	
Community engagement	Global philanthropy and community engagement
Inclusive workplace	Inclusive workplace
Health and safety	Health and safety
Human rights	Labor practices
Labor practices	Labor practices Health and safety Employment and talent management practices
Philanthropy	Global philanthropy and community engagement
Governance	
Cyber security and data privacy	Business practices
Ethical Artificial Intelligence (AI)*	Business practices
Ethics and integrity	ESG governance Business practices
Innovation	Innovation
Product quality and safety	Product quality management
Regulatory compliance	Governance
Reporting and disclosure	About this report Consolidated metrics
Stakeholder engagement	Material topics

* *This topic was initially identified as a social matter in the FY 2023/24 materiality assessment, however, as the importance of AI has grown, the impacts are being managed through the Company's governance practices. As a result, this topic is discussed in the Governance section.*

Stakeholder engagement

The Group actively manages its relationships with internal and external stakeholders who may be impacted by the organization's ESG performance and whose actions can affect the organization's value. Direct and indirect stakeholder engagement is conducted through regular business practices or through interactions with relevant stakeholders.

Represented stakeholder groups	Stakeholder representatives	Communication methods and channels	Communication topics
Investors 	Investor Relations; Analysts; shareholders; financial institutions; Hong Kong Exchanges and Clearing Limited	Interim and Annual Reports; Annual General Meeting (AGM) and other General Meetings; website; webcasts	Quarterly, interim, and annual financial results; climate change; diversity and inclusion (D&I); corporate governance; ESG initiatives, goals, and targets
Employees 	Human Resources; Talent Acquisition; Philanthropy; Social Impact subject matter experts	Internal emails; surveys; intranet; Employee Resource Groups; social media	Training and development; D&I; corporate governance; climate change; health and safety; employee engagement
Customers 	Sales; Customer Support	Direct interactions with customers via meetings or written responses; customer focus groups; responses to customer-requested surveys; website; social media	Product energy and carbon data; corporate climate change metrics; product recycled content information; supplier due diligence information
Supply chain 	Suppliers; Global Supply Chain	Surveys and audits; Responsible Business Alliance (RBA); Global Supply Chain; website; newsletters	Environmental performance; human rights; labor practices; distribution; health and safety; D&I; climate change; supplier training
Communities 	NGOs; philanthropic organizations; civic and community partnerships; regulators and legislators	Community service events; surveys; emails; service campaigns; website; social media	Access to technology; STEM education; community engagement; natural disasters
Advocacy groups 	Global, national, and local alliances; NGOs	Technical working groups; webinars; newsletters	Supply chain due diligence; climate change; water management; product end-of-life management; circular economy; D&I; philanthropy
Board of Directors 	Company Secretary; Directors; Lenovo Executive Committee; ESG EOC	Board meetings and newsletters; emails; AGM	Corporate governance; ESG oversight; climate change; ESG risks and opportunities; ethics and compliance
Regulators and legislators 	Government agencies; patent board; Government Affairs; Legal	Compliance assessment tools; regulatory tracking services; external legal resources; newsletters; webinars	Regulatory and compliance requirements and trends including those related to data security and labor practice
Industry associations 	National or local industry associations; certification or conformance groups; industry councils; standards development working groups	Newsletters; meetings; webinars; emails	Policy recommendations; regulatory updates and standards development activities for energy efficiency; chemicals restrictions; ecolabels

These lists depict representative examples and are not exhaustive.

Aligning with the United Nations Sustainable Development Goals

With operations and supply chains that extend around the world, Lenovo is uniquely positioned to support the global collective impact of business by aligning its practices to a sustainable and inclusive future. Since 2009, Lenovo has continued its role as a signatory supporter to the United Nations Global Compact (UNGC), a globally recognized platform that provides a blueprint for businesses that want to achieve a more sustainable future for all. As a business participant in the UNGC, Lenovo strives to demonstrate continuous improvement as it aligns operations and practices with the ten principles of the UNGC. The principles promote a value system that supports the fundamental responsibilities in the areas of governance, human rights, labor, environment, and anti-corruption in the markets where Lenovo operates. See here for information on Lenovo's UNGC Communication on Progress (CoP).

WE SUPPORT

Lenovo's ESG initiatives include activities that directly and indirectly support the United Nations Sustainable Development Goals (SDGs). This information can be found throughout the Environmental, Social, and Governance sections of this report.

3.0 Environmental

3.0 Environmental

Environmental management system (EMS)

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

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

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

Within the framework of Lenovo's EMS, it annually conducts a Significant Environmental Aspect (SEA) evaluation process where it identifies and evaluates the aspects of its operations that have actual or potential significant impacts on the environment using a methodology that includes input from Lenovo's Enterprise Risk Management (ERM) process. Metrics and controls are established for these significant environmental aspects. Performance relative to these metrics is tracked and reported. Performance targets are established for select environmental aspects annually with considerations including Environmental Affairs Policy, regulatory requirements, customer requirements, stakeholder input, environmental and financial impact, and management directives.

During FY 2024/25, Lenovo's significant environmental aspects included:

- Product materials – including use of recycled plastics and environmentally preferable materials where possible
- Product packaging
- Product energy consumption and emissions
- Product end-of-life management
- Site air emissions, specifically greenhouse gas (GHG) emissions
- Site energy consumption
- Supplier environmental performance
- Product transportation
- Waste management
- Water management
- Impact of Lenovo's net-zero commitment

Objective and performance targets have been established for the aspects listed above. Lenovo's performance against these objectives and targets is available in Section 8.0.

Lenovo's energy, GHG emissions (Scope 1 and 2), waste, and water data are externally verified to a reasonable level of assurance. Lenovo's GHG emissions (Scope 3) data is externally verified to a limited level of assurance. The FY 2024/25 Verification Statements for GHG, Energy, Waste and Water can be viewed here.

Climate change

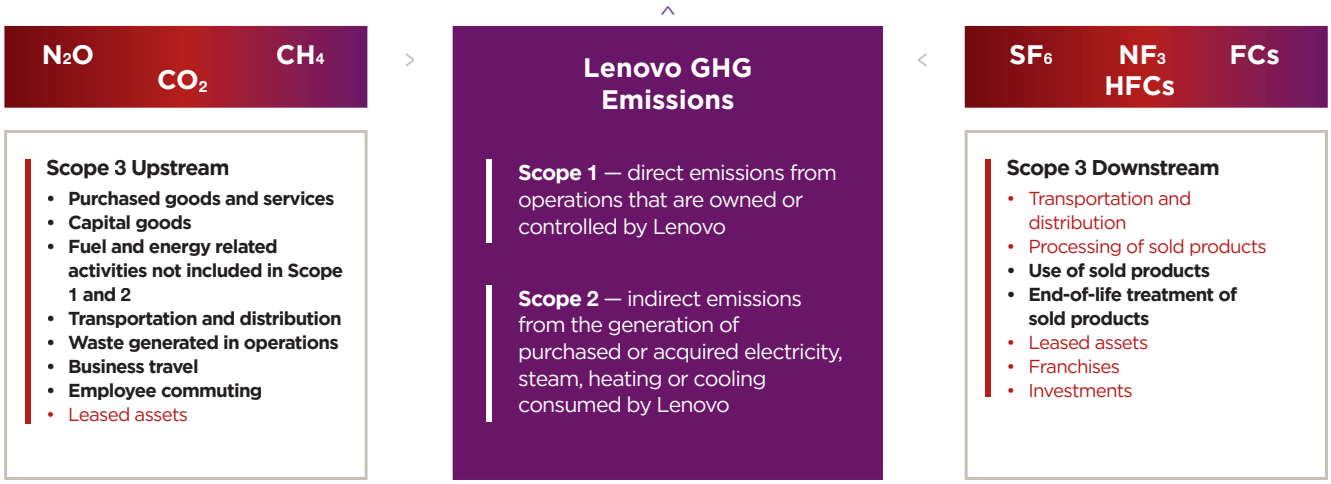
Lenovo recognizes that human activities are contributing to climate change and concurs with the findings of current climate science as described in the latest assessment report from the Intergovernmental Panel on Climate Change (IPCC). Lenovo also recognizes that if left unchecked, current trends in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

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

- Implementing a corporate Climate and Energy Policy
- Executing a long-term comprehensive Climate Change Strategy aligned to validated SBTi net-zero targets
- Setting corporate-wide objectives and targets which support the above Policy and Strategy

Lenovo's Chief Legal & Corporate Responsibility Officer provides executive leadership for its ESG position, including climate change programs. In addition, the ESG Executive Oversight Committee (EOC), chaired by the Chief Legal & Corporate Responsibility Officer, provides strategic direction and facilitates the coordination of ESG efforts across Lenovo, including proposing recommendations for the effective management of ESG programs. The ESG EOC is comprised of senior management from across the business and functional areas and is chartered to promote a culture that encourages strong ESG performance, including compliance and leadership activities. Regular updates on ESG issues, including updates on topics discussed by the ESG EOC, are also provided to the Board of Directors and its Committees from the Chief Legal & Corporate Responsibility Officer.

Concentrated discussion on ESG issues, including climate change, assists the Board in making the most appropriate decisions and providing oversight based on the long-term risks and opportunities that impact its stakeholders and the business. At least annually, the Board is briefed on Lenovo's ESG KPIs including Lenovo's climate strategy and progress towards its climate change mitigation goals.



Notes: Scope 3 categories in **bold black** are tracked and evaluated and in some cases as described in the following sections actions are being taken to drive emissions reductions.
Scope 3 categories in **red** are not relevant to Lenovo.

Science-based emissions reduction targets and net-zero strategy

Lenovo has responded to the Science Based Targets initiative (SBTi)'s urgent call for corporate climate action by committing to align with 1.5° C and net-zero through the Business Ambition for 1.5° C campaign, an official partner of the United Nations Framework Convention on Climate Change (UNFCCC) Race to Zero campaign. SBTi is a partnership between the UN Global Compact, CDP, World Resources Institute and World Wide Fund for Nature. Lenovo is an early adopter of the science-based emissions reduction approach, after receiving SBTi approval for near-term 2030 emissions reduction targets in 2020. For near-term targets, Lenovo's Scope 1 and 2 emissions reduction targets are consistent with limiting warming to 1.5° C, the most ambitious goal of the Paris Agreement, and its Scope 3 emissions reduction targets meet ambitious criteria according to the SBTi's methodology, which means they are in line with current best practices.

On January 19, 2023, Lenovo announced its SBTi validated target to reach net-zero greenhouse gas (GHG) emissions by 2050. Lenovo's net-zero target is to achieve a 90 percent reduction across Scope 1, 2, and 3 emissions. Lenovo was the first PC and smartphone maker and one of the first 139 companies in the world to establish a net-zero target validated by SBTi. Lenovo's long-term 2050 net-zero target coincides with its near-term, SBTi-validated 2030 emissions reduction targets. In September 2023, Lenovo joined the UN Global Compact Forward Faster initiative to accelerate private sector action towards the SDGs, specifically committing to the climate action and water resilience targets within the initiative.

By working with SBTi and aligning to their Net-Zero Standard, which is also the world's first framework for corporate net-zero target setting, Lenovo is taking a scientific, collaborative, and accountable approach to reducing emissions. Aligning goals to the SBTi helps hold companies accountable for their emissions reduction. Without aligning to SBTi, it is difficult to validate or know when a net-zero target is reached.

Lenovo's mature ISO 14001 Environmental Management System (EMS) gives Lenovo a strong framework on which to set annual targets to help drive progress towards its 2030 and 2050 SBTi goals.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

BUSINESS AMBITION FOR 1.5°C

These targets have a base year of FY 2018/19, near-term target year of FY 2029/30, and long-term net-zero target year of FY 2049/50. The following table details Lenovo's Science-Based Targets, road maps for their achievement, and progress against the targets in FY 2024/25.

LENOVO EMISSIONS REDUCTION NEAR-TERM TARGETS	ROAD MAP	STATUS AS OF FY 2024/25 BASE YEAR: FY 2018/19	FY 2029/30 TARGET
Reduce absolute Scope 1 + Scope 2 GHG emissions (related to Lenovo's operations) by 50%	Hierarchical combination of energy efficiency, on-site renewable energy generation, and renewable energy commodities	On-Track	**- 50%**
Reduce Scope 3 GHG emissions (value chain) from use of sold products 35% on average for comparable products	Reduce product emissions through energy efficiency improvements, engaging customers to use more renewable energy	On-Track *	**- 35%**
Reduce Scope 3 GHG emissions (supply chain) from purchased goods and services 66.5% per million US$ gross profit	• Inclusion of climate change requirements in Supplier Code of Conduct • Supplier climate data collected annually from subset of suppliers • Climate change KPIs included in supplier ESG scorecards (evaluation process) • Expand supplier program to greater number of suppliers/ data capabilities and SBTi level of commitment	On-Track *	**- 66.5%**
Reduce Scope 3 GHG emissions from upstream transportation and distribution by 25% per tonne-km of transported product	• Modal shift to lower carbon modes of transport • Optimization of transport planning • Increase of vehicle utilization • Improvement of vehicle fuel efficiency	On-Track *	**- 25%**
LENOVO EMISSIONS REDUCTION LONG-TERM TARGETS	**ROAD MAP**	**STATUS AS OF FY 2024/25 BASE YEAR: FY 2018/19**	**FY 2049/50 TARGET**
Reduce all GHG emissions by 90% - absolute reduction of Scope 1, 2, and 3 emissions. Neutralize remaining 10% of emissions through carbon capture, reforestation, or other means	Above concepts continue to drive energy efficiency at Lenovo sites and of products, and to expand supplier program.	On-Track *	**- 90%**

* *Lenovo is in the process of improving input data for this Scope 3 category. The status reported here is the best available estimate at the time of publication. In the FY 2025/26 ESG Report, overall supporting data and target status will reflect any improved input data.*

Other air emissions

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

Climate change risks and opportunities and management

The significant risks associated with climate change are identified and evaluated as part of two main processes within Lenovo's business management systems. These include its Group Risk Management and Control (GRMC) process and its annual climate-related risks and opportunities assessment.

These two processes are connected, meaning that if climate change risks are identified in the global risk registration, they are considered in the climate-related risks and opportunities assessment – and vice versa.

1. Lenovo's formal risk management process covers all areas of Lenovo's strategic, operational, financial, legal, regulatory and compliance risks, among which include the risk of natural catastrophes to the security of people, and operational efficiencies, such as supply chain disruptions and the risk of non-compliance with ESG requirements or regulations. Each major business unit and function is required to identify risks and assess their impacts on Lenovo's strategy execution, then develop mitigation plans for select identified risks. This process is managed by Lenovo's Group Risk Management and Control (GRMC) team.
2. Lenovo's climate-related risks and opportunities assessment evaluates and prioritizes physical and transition risks and opportunities related to climate change. This process is managed by Lenovo's Global ESG team, and more details about the process are available in Section 10.0. The results are integrated in the aforementioned risk management process.

Lenovo's climate risk assessment in FY 2024/25 also included climate scenario analysis to explore how physical and transition risks and opportunities of climate change can impact its business. The climate scenario analysis indicates that climate risks may result in negative impacts to Lenovo, however, the impact of opportunities under 1.5° C scenario is positive and much higher if Lenovo is proactive in exploring climate-related opportunities, including new products such as sustainability services offered to customers. Therefore, Lenovo has committed to reduce 90% of Scope 1, 2, and 3 scope emissions to keep global warming potential within 1.5° C and continues to broaden its product offerings in sustainability services and other areas.

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

More information about Lenovo's identification and assessment of climate-related risks and opportunities, metrics, and actions to address climate change are available in Section 10.0 and in Lenovo's responses to the most recent CDP questionnaire.

Lenovo scored an A, the "Leadership Level" for its climate change performance in the 2024 CDP questionnaire which reflects its performance toward environmental stewardship through climate change mitigation practices in its operations and supply chain.

Energy

Under the EMS, energy-related targets are set annually. Since decreased energy use or increased renewable energy use impacts emissions, these energy-related targets are related to Lenovo's Scope 1 and 2 emissions reduction targets and similar actions are taken to achieve all three types of targets. For Lenovo's specific energy targets and its performance against them see Section 8.0.

By FY 2025/26, **90%**

of our global operations' electricity will be obtained from renewable sources. [+]

[+] *May be accomplished through installation of onsite renewable energy generation, entry into power purchase agreements (PPA) with power providers and/or the purchase of renewable energy credits.*

Energy consumption also occurs throughout Lenovo's value chain. Energy is used by Lenovo's suppliers and its supply chain is encouraged to develop energy targets, use renewable energy, and report energy usage. Customers also use energy to power products and Lenovo has set targets to improve energy efficiency in many of its products.

For more information, see Section 9.0 for Lenovo's energy-related KPIs.

Renewable energy

Lenovo's renewable energy installations help reduce Scope 2 emissions at its facilities. Lenovo has 34.5 MW of solar electric installations that are currently operational.

The image is of the solar panel installations at Lenovo's Tianjin, China location.

In addition to onsite solar generation capacity, Lenovo is proactively looking for opportunities for sourcing renewable electricity directly from utility suppliers. Currently, Lenovo's Tianjin Smart Campus (TJSC) in Tianjin, China, and Lenovo's Budapest office in Hungary are under purchase agreements with utility suppliers to provide 100 percent renewable electricity for facilities.

Where the use of onsite renewable energy sources or power purchase agreements are not technically or economically feasible, Lenovo chooses to purchase Renewable Energy Credits (REC), International Renewable Energy Credits (I-REC), Guarantees of Origin (GO), and Non-fossil certificates (NFCs). In FY 2024/25, Lenovo purchased renewable commodities that supported 100 percent renewable energy projects consisting of wind and/or solar power in various parts of the world including Brazil, China, India, Japan, Europe, Mexico, and US.

Operational energy efficiency

Given that one of Lenovo's most significant environmental aspects is emissions associated with energy consumption, it has a goal to continually improve the energy efficiency of its operations. In FY 2024/25, Lenovo's initiatives to help reduce energy consumption included the following methods:

- **Energy Conservation – Active Method:**
  - Replaced energy efficient equipment (including electronically commutated fan and aging steam generator)
  - Optimized equipment efficiency (including AC system, UPS system, and electricity transformers)
  - Optimized operating scenarios to reduce running time (including water pumps, lighting system, and UPS system)
  - Employed digitalization, including multiple-level smart energy metering devices, Lenovo ESG Navigator, carbon 3D visualization, and campus energy management platform
- **Energy Conservation – Passive Method:**
  - Replaced existing windows with energy efficient windows
  - Installed air curtains at entrances of manufacturing site to reduce cooling system running time

- **Management System and Certification**
  - Various manufacturing sites are ISO 50001:2018 certified
- **Energy Conservation Education**
  - Employee awareness training
  - Energy conservation promotion (emails and tip signs)

Spotlight: TJSC Obtained "Eco-level Carbon Neutral Factory" Certificate

In December 2024, Lenovo's Tianjin Smart Campus (TJSC) was certified as "Eco-Level Carbon Neutrality Factory" by CESI Certification based on General Specifications for Assessment of Carbon Neutrality Factory (T/DZJN 108-2022) and PAS 2060:2014 Specification.

TJSC has implemented 90 carbon reduction measures in nine areas, including renewable energy, building design, manufacturing, warehouse management, campus management, and digital collaboration, which run through the entire process of design, planning, construction and operation of the campus. Measures included:

- Installation of solar panels with potential 4 megawatt peak (MWp) capability.
- Sourcing of renewable electricity directly from local utility supplier.
- Implementation of rainwater storage system and grey water system to help save freshwater.
- Installation of high-efficiency LED lamps.
- Installation of harmonic filtering equipment to help reduce energy loss.
- Installation of energy efficiency chiller with a high Coefficient of Performance (COP) to help save energy.
- Deployment of Lenovo ESG Navigator, 3D Visualization digital tools for carbon data management and carbon reduction.
- AI-supported Scope 1 and Scope 2 GHG emissions forecast.

Logistics

Logistics is an important part of Lenovo's global supply chain and a key component of Lenovo's plan to meet net-zero by 2050. Lenovo is decarbonizing its logistics by deploying innovative solutions including demand management, low carbon transport, low carbon fuel, consolidation and utilization, and external partnerships.

In FY 2024/25, the priorities of Lenovo's logistics included:

Demand management

- Lenovo is reducing transportation activity by using ultra-light pallets for its Intelligent Device Group's (IDG) business group's products.
- Lenovo is implementing direct shipments to key European markets including Italy, Spain, and France to shorten transit distances.

Low carbon transport

- Using rail and sea freight when feasible which are lower carbon transportation compared with road and air freight.
- Lenovo progressed its transition from air freight to road and sea freight and encouraged customers to use sea freight.
- Lenovo increased the usage of rail freight in China, Europe, and Latin America, with the aim to reduce carbon emissions and other air pollutants by avoiding the use of diesel trucks.

Low carbon fuel

- Lenovo expanded alternative fuel delivery in various countries and regions including Brazil, China, Asia Pacific, Europe, Middle East, and Africa (EMEA), and Latin Americas.

External partnerships

- Lenovo is an active participant in industry-wide coalitions and sustainable logistics initiatives, collaborating with entities such as the Global Logistics Emission Council (GLEC), Smart Freight Centre China, and US Environmental Protection Agency (EPA) SmartWay program. These partnerships aim to drive transparency and consistency in calculating and reporting greenhouse gas emissions across the logistics sector.

- Striving to further reduce emissions, Lenovo aims to ensure that all stakeholders make a difference. Lenovo updated its logistics KPI methodology to require logistics suppliers to share their carbon emissions data with Lenovo. Lenovo also works with suppliers to set goals to reduce emissions. In addition, Lenovo shares its logistics CO2 report with its customers to improve transparency and increase awareness.

Waste

Lenovo's day-to-day operation around the globe generates non-hazardous waste and minimal quantities of hazardous waste. To ensure that waste is properly managed and, in an attempt to minimize environmental impact, Lenovo's waste, both non-hazardous and hazardous, are separated and collected from the site of generation to be disposed of through third-party waste management organizations in accordance with its Site Environmental Programs Manual and applicable legal requirements.

During the FY 2024/25 reporting year, Lenovo continued to measure and monitor both non-hazardous and hazardous waste generation volumes and disposal methods through an internal environmental database. In this system, site environmental focal points collect and upload monthly waste data, from measured data when feasible or calculations based on measured data. When no measured data is available, non-hazardous waste estimations are used, usually based on the headcount at the site and the previous year's monthly data from similar sites.

Lenovo's waste data for the current reporting year is presented in Section 7.0. Annual Verification Statements for Lenovo's total non-hazardous and hazardous waste are available on Lenovo's website.

Lenovo's EMS requires sites to report environmental incidents, including waste-related incidents, through the internal environmental database. In addition to internal reporting, Lenovo's manufacturing sites periodically undergo audits, some of which cover aspects of waste management. For more information on audits at Lenovo's sites, see Section 4.0.

Lenovo recognizes that waste management is important throughout the value chain. Lenovo requires production suppliers to adhere to its Supplier Code of Conduct and the Responsible Business Alliance (RBA) Code of Conduct through contractual stipulations, both of which include waste-related provisions. Lenovo uses RBA assessments as a key mechanism for risk identification and sustainable performance evaluation. For more information on these supplier activities, see Section 6.0.

Lenovo utilizes its Product-End-of-Life Management (PELM) program for the disposition of electronic products, parts, and scrap generated at Lenovo sites. More information on Lenovo's PELM activities can be found in the corresponding section.

Non-hazardous waste

Lenovo's non-hazardous waste includes typical office and cafeteria waste as well as packaging and manufacturing scrap at manufacturing sites.

Under Lenovo's EMS, a global non-hazardous waste recycling target is set annually. For the FY 2024/25 reporting year, the target was to direct 90 percent (+/-5 percent) of Lenovo's non-hazardous waste to recovery operations. The results of Lenovo's environmental targets are available in Section 8.0.

Hazardous waste

Lenovo's operations generate minimal quantities of hazardous waste. Hazardous waste is waste designated as hazardous by applicable laws or regulations in a country, state, region, or locality and may include oils, coolants, organic solvents, batteries, fluorescent light bulbs, and ballasts. Hazardous waste is required to be disposed of in accordance with local environmental regulations by approved suppliers.

Water

Lenovo is working both internally and externally to minimize and mitigate water risks. Lenovo has:

- Implemented and maintains a corporate Water Resiliency Policy;
- Endorsed the UN CEO Water Mandate;
- Joined the Science Based Targets Network (SBTN) Corporate Engagement Program, pledging alignment with SBTN's goals and vision while contributing advice and end-user insights to the development of SBTN methods and tools as an SBTN Corporate Engagement Participant; and
- Joined UN Global Compact Forward Faster initiative to accelerate private sector action towards the SDGs, specifically committing to the water resilience target within the initiative.

During the FY 2024/25 reporting year, Lenovo continued to measure and monitor water use and risk. In Lenovo's direct operations, the primary uses of water continue to be for water access, sanitation, and hygiene (WASH) services, as well as building cooling for employees, contractors, and visitors at its sites around the globe. Because Lenovo's primary water use is for employee support, water use varies from location to location with its largest manufacturing sites and locations with the largest employee headcount withdrawing and discharging the most amount of water. Lenovo's water data for the current reporting year is presented in Section 7.0. Annual Verification Statements for its total water withdrawal and discharge are available on Lenovo's website.

To date, Lenovo has not experienced any issues with sourcing water that is fit for purpose. Lenovo's EMS requires sites to characterize their discharges before entering into an agreement with a treatment facility. Exceptions may exist for typical sanitary waste. It also requires sites to not discharge constituents for which a treatment facility does not have treatment capability, update characterization when a site's activities change, and adhere, as applicable, to the discharge limits of local law, the treatment facility, and any associated permits.

Lenovo's EMS includes a global water target. For the FY 2024/25 reporting year, a new long-term target was set, to achieve a reduction of 1.8 metric tons in water withdrawal per capita at manufacturing sites globally by FY 2029/30. The results of Lenovo's environmental targets are available in Section 8.0.

Lenovo requires sites to report environmental incidents, including water-related incidents, through its internal environmental database. In addition to internal reporting, Lenovo's manufacturing sites undergo periodic audits, some of which cover aspects of WASH and water management. For more information on audits at Lenovo's sites, see Section 4.0.

While Lenovo has minimal wet processes, it appreciates the importance of adequate quantities of sufficient quality water to its supply chain partners with wet processes, particularly for the semiconductor industry. Lenovo requires production suppliers to adhere to its Supplier Code of Conduct and the RBA Code of Conduct through contractual stipulations, both of which include water-related provisions. Lenovo uses RBA assessments as a key mechanism for risk identification and sustainable performance evaluation. For more information on these supplier activities, see Section 6.0.

Water risks within Lenovo's operational footprint and supply chain are assessed annually using publicly available water risk tools (World Resources Institute's Aqueduct and WWF's Water Risk Filter Tool).

For more information about Lenovo's identification and assessment of water-related risks and opportunities, metrics, and actions, please read Lenovo's responses to the most recent CDP Water Security questionnaire.

In FY 2024/25, Lenovo continued its global partnership with Wine to Water (W|W), a non-profit organization committed to supporting life and dignity for all through the power of clean water.

Environmentally conscious products

Product materials

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

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

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

Lenovo supports phasing out brominated flame retardants (BFRs) and polyvinyl chloride (PVC) and is committed to driving its supply chain toward this goal. Lenovo continues to focus on eliminating halogens from its top-selling products and across as many commodities as possible and has made progress including the following achievements:

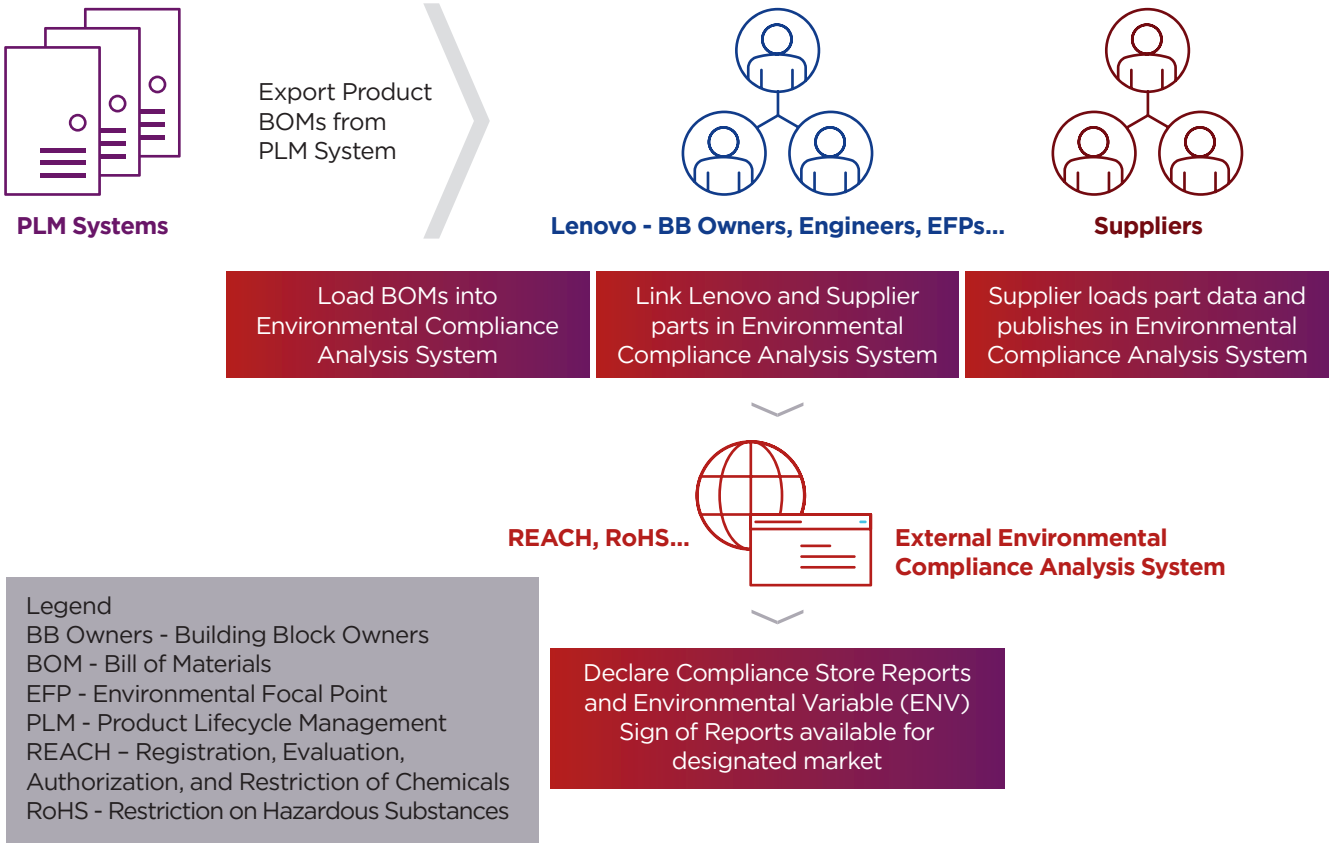
- Phasing out completely the use of BFR/chlorinated flame retardants (CFR)/PVC in all mechanical plastic parts (such as external covers, housings, etc.) across all its products
- Most hard disk drives, optical disk drives, solid-state drives, LCD screens, memory, central processing units (CPUs), chipsets, and communication cards; and other commodities meet the International Electronics Manufacturing Initiative (iNEMI) definition^ of low halogen
- All ThinkPad notebooks including printed circuit boards (PCBs) meet the iNEMI definition^ of low halogen except for cables and wires, and AC adapters
- All commercial monitors meet the iNEMI definition of low halogen except for their PCB assembly and cables. Furthermore, some monitors fully meet the iNEMI definition^ of low halogen
- All smartphone products are free of BFR and PVC
- Prohibiting the intentional addition of the following pollutants to any of its parts:
  - Polybrominated Biphenyls (PBBs)
  - Polybrominated Diphenyl Ethers (PBDEs)
  - Deca-Brominated Diphenyl Ethers

^ *Lenovo supports the definition of "low halogen" electronics as defined in the "iNEMI Position Statement on the 'Definition of Low-Halogen' Electronics (BFR-/CFR-/PVC-Free)".*

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

In addition to the regulated materials, Lenovo has also identified an expanded list of materials and substances of environmental interest. These substances may be candidates for further restrictions in the future. It holds suppliers accountable for reporting the use of these materials through Supplier Material Declarations. A spreadsheet file containing the Full Material Disclosure (FMD) information, submitted via an environmental compliance analysis system, is the preferred format for confirmation of compliance to the restrictions and for reporting when substances in question are above the specified concentration levels.

Lenovo's business unit environmental engineers utilize the environmental compliance analysis system to perform a Bill of Materials (BOM) validation to ensure every part number used in building the product has the required supplier information. Once the full BOM compliance verification is complete, a detailed compliance summary report is generated to show the internal company and external legal requirements at the full product level.



Regulatory compliance approach

Consistent with its precautionary approach, Lenovo continuously analyzes the IT regulatory landscape and considers input from its customers, NGOs, and other industry resources in the assessment of chemical and materials restrictions with respect to the potential health and environmental impacts of its products. These assessments are facilitated via the use of Supplier Full Material Disclosures or other acceptable forms of chemical/materials disclosures; i.e., IEC 62474 declarations, laboratory test reports, or supplier self-declarations. Lenovo utilizes this information to identify and highlight current and emerging restrictions for tracking and management purposes as well as for current and future reporting requirements.

Lenovo informs its customers about the environmental attributes of its products as it relates to compliance with applicable laws and regulations through an industry-standard IT Eco Declaration form. Declarations for newly released products are posted on Lenovo's Compliance Document Library.

Recycled materials

Lenovo continues to incorporate post-consumer recycled content (PCC) plastics, closed-loop post-consumer recycled content (CL PCC) plastics, ocean bound plastics (OBP), recycled metals, and new materials such as post-consumer recycled rare earth metals into select products. These recycled materials are important to Lenovo's product development strategy and transition to a circular economy.

Using recycled materials in IT products presents significant challenges due to the unique structural, performance, and cosmetic requirements associated with these applications. To overcome the continuing challenges of using recycled content in the design and manufacture of smart connected devices, especially notebooks, tablets, and smartphones, Lenovo's engineers work closely with suppliers to develop and qualify recycled materials that meet required performance and structural standards. These materials receive environmental and performance qualifications before their approval and use in Lenovo product applications.

In addition to the work done by Lenovo's engineers, Lenovo's research and development teams work with material suppliers and a third-party certification authority to build its CL PCC supplier and material process, including the "Approved Recycling Standard," the "Quality Assurance Operation Requirements," and the "Recovery Ratio" criteria to validate their sources of waste and control processes using a hierarchical waste product traceability scheme.

By FY 2025/26, **100%**

of PC products will contain post-consumer recycled content materials. [+]

[+] *Excludes tablets and accessories*

Using recycled materials helps eliminate the need for natural resources extraction because materials are kept in circulation while being diverted from landfills. Lenovo's increased use of CL PCC plastics is helping to sustain the demand for recycled plastic materials from IT products. Lenovo is helping to transition to a circular economy while still creating a product that meets Lenovo's high performance standards.

Lenovo currently uses PCC plastics in notebooks, desktops, workstations, monitors, tablets, and accessories, and is introducing CL PCC and OBP into more products each year.

Since early 2005, Lenovo has tracked total use of recycled plastics in products which includes use of PIC, PCC and/or CL PCC, see Section 7.0 for results. Lenovo's EMS targets and ESG KPIs include recycled content targets which are available in Sections 8.0 and 9.0 respectively.

In addition to recycled and OBP plastics, Lenovo is also using recycled metals and recycled rare earth metals to support the transition to a more circular economy. Recycled metals introduced to select Lenovo products include aluminum, magnesium, copper, and steel. Such usage helps reduce mining and consumption of natural resources. Lenovo is expanding the use of recycled metals, including rare earth metals, into more of its Lenovo notebooks, monitors, tablets, desktops products, and Motorola smartphone products.

Product energy efficiency

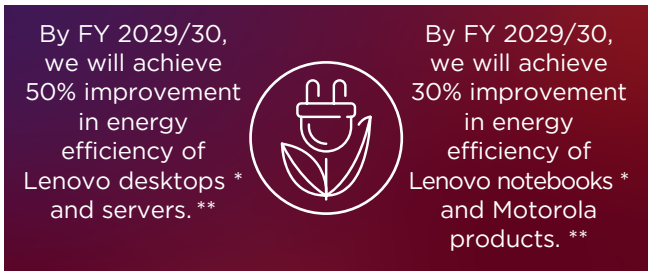
Product energy efficiency remains a core focus for Lenovo. To ensure that it is adhering to existing and proposed global IT product energy efficiency policies and regulations for current and future technology, Lenovo collaborates with original equipment manufacturers (OEMs) and industry stakeholder workgroups.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

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

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

In 2025, ENERGY STAR® implemented a new Computer Specification version 9.0, updating notebook, desktop and all-in-one (AIO) PC product certification requirements. This specification defines energy efficiency performance metrics based on the top 25 percent of PC products available on the market, with a focus on enhancements and incentives relative to the certification criteria, and Energy Efficient Ethernet (EEE).

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



* *Energy efficiency improvement on average for comparable products relative to FY 2018/19*

** *Energy efficiency improvement on average for comparable products relative to FY 2020/21*

Through its product development process, Lenovo requires its products to meet energy efficiency and performance requirements in various markets, including – but not limited to – US, China, Japan, and Europe. Many of Lenovo's notebooks, desktops, servers, and monitors meet and often exceed the current ENERGY STAR® requirements. In both 2024 and 2025, three Lenovo monitors were recognized as "ENERGY STAR Most Efficient." The ENERGY STAR® Most Efficient list highlights products utilizing the latest in technological innovation to deliver cutting edge efficiency, and represents the very best for energy savings and environmental protection. Lenovo's ENERGY STAR® qualified models are listed on the ENERGY STAR® website. For more information about Lenovo's energy-efficient products, see its Product Energy Efficiency webpage.

In support of Lenovo's commitment to lower GHG emissions, science-based targets were established to reduce emissions associated with the use of sold products per comparable products (for notebooks, desktops, and servers). Product development teams are actively investigating and implementing technical enhancements to support power efficiency improvements and track annual performance against the prescribed targets.

Product energy management features

Lenovo offers innovative tools on select PC, server, monitor, and smartphone products that allow better control of power consumption, calculation of energy savings, and reporting on the management of energy performance, IT equipment, and devices.

Energy management feature	Benefit
Lenovo Settings (Windows)	An application that provides power management features, such as Connected Standby for the user.
Adaptive Thermal Management	Adjusts system power and fan speeds based on ambient levels.
Active Directory and LANDesk®	Supports remote deployment of power schemes and global settings to allow administrators the ability to control and enforce ThinkPad energy savings company-wide.
EasyResume	Provides quick recovery from computer lid close, balancing low power state by suppressing CPU usage at lid close.
Intelligent Cooling	Balances thermal performance to adjust settings to provide a cooler surface for comfort while optimizing product energy.
Energy Saving Power Supply Unit (PSU)	The PSU turns off the internal fan when the system detects the power load is low and saves energy consumption.
Smart Power (Monitors)	A power and energy management feature that dynamically detects and optimizes the distribution of power. Example: If there are multiple devices plugged into a monitor such as a smartphone, a laptop, or other USB-powered peripheral – the monitor will gauge how much power each of them needs and adjust according to the requirement.
Efficiency Optimizer	Automatic System-on-Chip (SoC) power management without user experience (UX) impact.
Display Brightness Control	Adaptive brightness control of display.
Eco Shutdown	Saves power while the device is in shutdown mode and connected to an AC outlet.
Uncore Dynamic Voltage and Frequency Scaling (DVFS)	Maximizes efficiency of the non-core hardware inside the CPU package.
Universal Flash Storage (UFS) Efficiency Latency Control	Modifies how quickly or slowly the uncore frequency is adjusted to optimize for efficiency.
Turbo Ratio Limits	Designed to limit how much turbo uplift occurs.
CPU E-cores	Enables more efficient processing of background tasks leading to a reduction in power. Several operating systems such as Windows 11, SLES 15 SP6, RHEL 8 support E-cores.

Energy management feature	Benefit
Split-Bay PSUs	Enables more direct airflow through the server with less preheat. This leads to lower fan speeds and increased efficiency.
Unified Extensible Firmware Interface (UEFI) Workload Profiles	Allows a user to tailor the UEFI settings to their specific workload, and can be optimized for minimal power, maximum efficiency, maximum performance, or minimal latency.
Variable Refresh Rate of 24-120hz	Lenovo's proprietary advanced AI Power Solution dynamically adjusts monitor backlighting and pixel intensity to optimize energy consumption without compromising image quality.
Enhanced Screen Performance	Built-in algorithm to maintain monitor screen performance while reducing power consumption.
Adaptive Device Refresh Rate	Smart optimization of the smartphone display to a lower refresh rate which reduces battery consumption and thermal output with no obvious impact on the User Experience (UX).
Moto Freezer	Freeze cached apps and services by the unique identification number (UID) to reduce CPU & RAM usage for better battery life and performance.

Durability and repairability

Keeping a product in use for a longer period is an important aspect of circular economy and reducing unnecessary electronic waste. Therefore, Lenovo aims to design its products with durability and repairability in mind, and ensures devices are tested through comprehensive quality and reliability testing aligned with real-world usage scenarios (including drop, spill, power cycling tests and more).

Lenovo is continuously designing innovative features for its products to help extend their useful life. For example, extending battery cycle life through key technologies, such as the increased use of lithium polymer cells in notebooks and tablets with embedded batteries. These cells typically provide longer life cycles than lithium-ion cylindrical cells. On smartphones, Motorola's latest lithium-ion battery technology extends smartphone battery cycle life through intelligent fast charging strategy (IFC), long-life battery cell design, and software development.

In addition to the focus on durable product design, Lenovo offers a range of services aiming to keep products in use for as long as possible. For example, Lenovo offers customers flexible warranty options that are designed to fit various needs, including warranty upgrades, sealed battery warranties, and accidental damage protection for many products. For more details, see Lenovo's Warranty and Maintenance Services webpage.

To improve the repairability of devices, Lenovo created and uses an engineering review process called 'Design for serviceability' to assess product design based on multiple factors including time to complete repair, number of customer-replaceable parts and number of field-replaceable parts. Features evaluated include screw type and number, joining techniques, and service availability.

Additionally, through Lenovo and Motorola's ongoing partnership with iFixit, an online repair community, the end-user repairability of some of the bestselling products are evaluated through their independent repairability assessments, as well as providing another avenue for repair solutions for the customer. For more information see iFixit's collaboration webpages for Lenovo and Motorola.

In addition to efforts on repairable product design, Lenovo provides users of many of its laptop and desktop products with the resources necessary to repair their own devices, as well as offering repair support and service options for many systems. Lenovo makes available a wide range of service and maintenance manuals for many products along with step-by-step guides and videos on parts removal and replacement. Customers can source spare parts from Lenovo or its authorized partners. For more information see Lenovo's Self-Repair Guides webpage. Lenovo's ESG KPIs include a repairability KPI, for more information see Section 9.0.

Product carbon footprint

The Product Carbon Footprint (PCF) or Global Warming Potential (GWP-100) has become a key product attribute for Lenovo and customers. Knowing the PCF of a product allows customers to better understand the environmental impact of the products they purchase.

To provide Lenovo's customers with PCF values for the broadest set of products, Lenovo continues to utilize the Product Attribute to Impact Algorithm (PAIA) platform to calculate streamlined Life Cycle Assessments (LCAs) of desktops, notebooks, tablets, and workstation computers as well as monitors, servers, storage, and network switch products.

With a suite of simplified online tools, PAIA delivered a methodology for information and communications technology (ICT) product footprints which originated from a multi-stakeholder initiative of ICT companies that shared insights and best practices.

Lenovo's participation in PAIA is helping to drive a sector-wide streamlined methodology that will be key to transforming ICT companies into sustainable businesses.

Using PAIA tools to calculate product footprints has significantly reduced the time and cost of calculating environmental footprints for its products. Lenovo shares these results with enterprise customers and publishes them publicly as PCF information sheets. PCF sheets for specific products can be found on Lenovo's Compliance Document Library.

To better meet evolving customer expectations and industry practices, and guide our product eco-design, Lenovo is implementing LCA approach to provide a systematic and comprehensive understanding of product environmental impacts. LCA assesses environmental performance across the entire lifecycle of a product (from raw material extraction and manufacturing to usage and end-of-life management), offering actionable insights into critical environmental hotspots. Lenovo moving to LCA is a key priority, reflecting a commitment to supporting customers' sustainability goals by designing products with lower footprint.

Lenovo recognizes the importance of adhering to globally recognized standards, including ISO 14040 and ISO 14044 for LCA and ISO 14067 for PCF, ensuring methodological consistency, transparency, and reliability in reporting. By embedding LCA into product design and manufacturing processes, Lenovo will not only fulfill eco-design requirements but also fosters innovation in materials and technologies, striving to reduce environmental footprints while enhancing product sustainability performance.

Ecolabels from around the globe

Lenovo pursues ecolabels for many of its products. Selected products have achieved one or more of the following ecolabels:

Packaging

Packaging has been identified as a significant environmental aspect under Lenovo's EMS. In FY 2024/25, Lenovo's overarching packaging objective was to minimize the material consumption of packaging while driving the use of more sustainable materials.

Lenovo is intent on reducing the size of its packaging to minimize the materials used while maintaining adequate protection for its products, and supports the above objectives by:

- Reducing excess size and layers of product packaging
- Reducing the use of plastic packaging
- Increasing the use of recycled and renewable materials in packaging
- Expanding the use of bulk and reusable packaging solutions
- Increasing the use of materials that have sustainability certifications

Lenovo has set and follows comprehensive packaging specifications that set minimum environmental standards for its packaging. In addition, as per Lenovo's Supplier Code of Conduct, suppliers are required to comply with these environmental specifications. For more information, see Packaging Specifications on Lenovo's ESG Resources webpage.

Results of Lenovo's progress against its packaging targets are available in Section 8.0.

Leading the way in innovative packaging

Where possible, Lenovo is committed to reducing the use of plastic packaging and has implemented plastic-free packaging for many of its smaller or lighter devices. However, plastic is an important material for lightweight shipping and protection of heavy and larger products, so in these instances, Lenovo's focus is on increasing the use of recycled and renewable materials to reduce environmental impact.

ThinkPad Z13 with plastic-free packaging

The use of bamboo or sugar cane fibers in select products marked the launch of a new era of packaging offerings for Lenovo, while also enhancing customer experience. Bamboo fiber has many favorable features, including:

- Sleek and robust design
- Lightweight
- Renewable resource
- Recyclable alongside paper and cardboard

The packaging of motorola razr 50D M-51E is made from renewable bamboo fiber

Lenovo supports its objectives to reduce the use of plastic packaging by using alternatives to plastic materials, as well as improving packaging designs to reduce reliance on plastic materials.

In addition, Lenovo supports the use of recycled plastics, including ocean bound plastics (OBP) to reduce consumption of virgin materials and to help support a circular economy. In 2019, the packaging team began researching the possibility of using OBP in product packaging and launched the first packaging cushion containing OBP (30 percent OBP and 70 percent other recycled plastics) in ThinkPad L14 packaging.

ThinkCentre Neo 30a Gen3 with 30% OBP bag

Lenovo's ESG KPIs include several targets for reducing or eliminating plastics packaging, increasing use of recycled plastics, OBP, and recycled and renewable materials for packaging. For more information see Section 9.0.

Product end-of-life management (PELM)

Lenovo's Product End-of-Life Management (PELM) program is an important part of its efforts to support a transition to a circular economy, as it supports extending the product lifecycle through reuse and recycling of products and parts. The PELM program also supports waste diversion through the elimination of end-of-life electronic products being disposed of in landfills and includes the practice of reuse, repair, refurbishing, de-manufacturing, dismantling, reclamation, shredding, recycling, treatment, and disposal of products, parts, and peripherals when they are taken out of service, reach end-of-life, or are scrapped. This program covers Lenovo-branded and non-branded products owned by Lenovo or accepted from customers and others (including customer returns or take back). Lenovo has made available the Electronics End of Life Standard for suppliers with details about Lenovo's PELM supplier requirements and the industry-standard certifications it promotes. Lenovo requires downstream transparency from suppliers and requires disclosure of materials through downstream supplier tiers to final disposition, supported by proper documentation and records for all transactions.

Product take-back programs

As a global business, Lenovo offers end-of-life recycling and management programs for both consumer and business customers in many major markets. These product take-back programs (PTB) are tailored to the specific location and business needs and include programs for recycling products as well as packaging and batteries in many geographies.

Customers can obtain information about Lenovo's recycling programs on its Recycling webpage.

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

Product and parts management

Lenovo, through these circular economy programs, strives to maximize the value and potential reuse of excess, returned, and obsolete products and parts across its business and manufacturing operations, repair network, and channel partners.

Through reverse supply chains, these products and parts are kept in circulation as-is or after repair or refurbishing and Lenovo can potentially avoid having to manufacture new products and parts.

Management of PELM suppliers

Lenovo maintains a program to help ensure that recycling, disposal, and disposition of end-of-life products owned by Lenovo or returned by customers is accomplished in an environmentally responsible and legally compliant manner. This program includes:

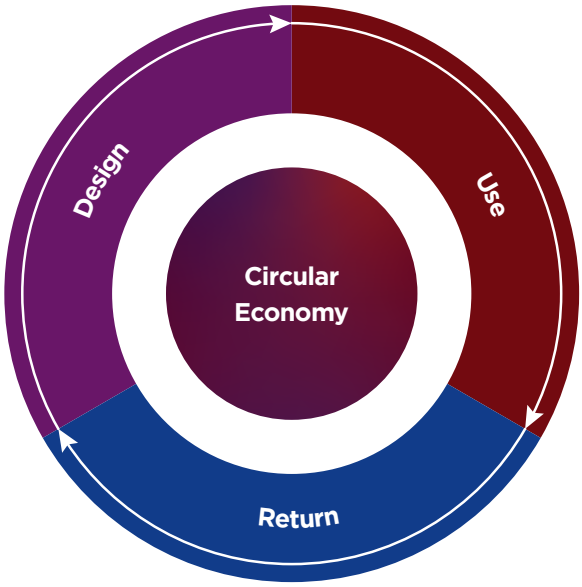
- Supplier completion of Lenovo's initial supplier audit or evaluation form declaring their processing capabilities and controls, management systems for quality, environmental, health and safety, industry standards, legal compliance, downstream facilities disclosures, and evaluation criteria,
- Lenovo's environmental audit or evaluation of supplier facilities and processes prior to engagement with documentation of audit findings and recommendations in a final report,
- Review of all audit or evaluation documentation and recommendations by its Geographic Environmental Focal Points and final approval by Global ESG management,
- Database of all Lenovo's audited and approved PELM supplier facilities by geography with approved services for use by designated Lenovo organizations, sites, and programs worldwide,
- Lenovo's supplier contracts with specific environmental terms and conditions related to expected environmental performance and reporting,
- Suppliers in scope include ARS suppliers, legal and voluntary product take-back providers, dismantlers, recyclers, refurbishers, disposal, and other related vendors. Lenovo's Electronics End of Life Standard for Suppliers sets guidelines that all recovered products and parts are to be data wiped, refurbished, tested for function, labeled as refurbished, and resold where they will be used as originally intended without further refurbishing before use. The standard also requires suppliers to use Lenovo-approved recyclers for the disposition of non-working products and parts and waste generated from their refurbishing processes and prohibits the shipment of hazardous waste to non-Organization for Economic Cooperation and Development (non-OECD) countries.

Recovery and recycling trends

As customers continue to have considerable interest in Lenovo's recycling programs, its continual improvement activities include searching for opportunities to maximize reuse and recycling. Results of Lenovo's progress against its PELM targets are available in Section 8.0. Lenovo's ESG KPIs include recycling or reuse KPIs, for more information see Section 9.0.

Circular economy

With a vision for a net-zero future, Lenovo knows the transition to a circular economy is critical. Collaboration and credibility are important to Lenovo during its net-zero journey and advancing a circular economy. To help scale circular economy solutions in the IT industry, Lenovo continues its membership in the Circular Electronics Partnership to collaborate with the technology industry, suppliers, and stakeholders. Lenovo's vision to deliver smarter technology for all extends to its circular economy practices that include Smarter Circular Design, Smarter Circular Use, and Smarter Circular Return activities.



During the design phase, important decisions are made that can help improve circularity and Lenovo is continuously evaluating design decisions that can help reduce environmental impact. The use of recycled and sustainable materials is an important aspect of the circular economy on which Lenovo focuses.

New recycled materials are being researched and introduced into an increasing number of products. Lenovo's EMS objectives and targets for use of recycled materials in products can be found in Section 8.0.

Lenovo's circular design decisions extend to its packaging as well. Lenovo is increasing its use of recycled fiber, recycled plastic and sustainable materials in packaging including bamboo, sugarcane, and sustainably forested fiber. Lenovo's EMS objectives and targets for packaging can be found in Section 8.0.

Lenovo can help advance a circular economy by optimizing the use of its products and parts. Improving the energy efficiency of its notebook computers, desktop computers, servers, and smartphones is Lenovo's goal. To help customers extend the life of their products, Lenovo offers support and service offerings including repair services. Lenovo offers enterprise customers second life data center products through its Lenovo Value Recovery (LVR) business.

While Lenovo continues to expand its use of CL PCC from IT equipment, the circular return of IT products into the recycling systems and supply chain is essential. Lenovo offers consumers and commercial customers product return programs to keep the products and materials in circulation. Commercial customers need reliable and secure solutions to manage their technology at the end of life. The Lenovo Asset Recovery Services helps customers maximize value of IT and enterprise hardware. Lenovo also offers consumer recycling programs in major markets. Since 2008, Lenovo has enabled the recycling and reuse of IT equipment and collects recycling and reuse data annually from partners globally. Lenovo's progress for recycling and reuse of IT equipment can be found in Section 7.0.

Lenovo's ESG KPIs include those that support a circular economy. See Section 9.0 for more information.

Biodiversity

While biodiversity has not been identified as a material topic in its materiality assessment for the FY 2024/25 reporting period, Lenovo continues to acknowledge the topic is an increasing priority among its stakeholders in recent years. Lenovo recognizes the biodiversity crisis and that business activities are a major driver of both climate change and nature loss. Lenovo further recognizes that while climate change is contributing to the biodiversity crisis, urgent actions are needed beyond emissions reductions to halt nature loss.

Considering this, Lenovo has been monitoring the development of science-based targets for nature while assessing its own data and resource needs in this area. Lenovo has conducted an initial, internal review of the footprint of its direct operations (manufacturing, R&D, and large office locations) against Key Biodiversity Areas (KBAs), but anticipates its largest biodiversity impacts are within its upstream value chain where additional traceability is needed.

Environmental highlight

Harnessing technology for biodiversity conservation

Lenovo recognizes that there is an increasing focus on biodiversity conservation. In 2023, Lenovo and the Chinese National Geographic Channel launched an ongoing environmental conservation initiative, the "Chasing the Yangtze Finless Porpoise Plan", focusing on the recovery of the Yangtze finless porpoise population and the overall health of the Yangtze River ecosystem. The Yangtze finless porpoise is an endangered species and serves as a key indicator for the health of the Yangtze River ecosystem.

As part of the initiative, Lenovo's conservation efforts include increasing public awareness of and engagement with endangered species in the Yangtze River. During FY 2024/25, Lenovo announced the launch of the world's first Yangtze finless porpoise tracking map and viewing guide as part of this collaboration. The carefully designed guide features five major tracking routes of nearly 2,000 kilometers. It indicates optimal observation points and viewing times of the finless porpoises alongside photography tips. The guide aims to provide the public with a journey that features the region's natural beauty, rich history, and cultural experiences.

For this initiative, Lenovo provided computing power through AI PCs and other smart devices to the production team, enabling efficient and precise data processing and analysis.

The Yangtze finless porpoise tracking map and viewing guide is part of Lenovo's broader commitment to biodiversity conservation. In 2022, Lenovo donated a customized smart IT ecological protection solution for the Yangtze finless porpoise population study at the Tian'e Zhou Reserve, addressing long-standing data challenges faced by the conservation area and enhancing its management capabilities.

During FY 2024/25, Lenovo adopted "No. 1575," a young female from this national protected species of finless porpoises. Female porpoises can play a vital role in the species' recovery, driving the population's future stability and growth. Through an online naming campaign, the porpoise was named "Zhu Zhu" (Pearl), symbolizing Lenovo's view of the porpoise as a cherished pearl and reflecting Lenovo's deep commitment to supporting wildlife conservation. Lenovo's commitment to Zhu Zhu extends beyond adoption and involves ensuring her successful reintegration into the wild.

Through these efforts, Lenovo demonstrates how a technology company can play a role in environmental conservation. By integrating technology with conservation, Lenovo aims to provide innovative solutions to safeguard the planet's precious ecosystems.

4.0 Social

4.0 Social

Labor practices

Lenovo's Human Rights Policy communicates the organization's respect for human rights and how it extends those rights to employees and others directly or indirectly employed in its supply chain. As a signatory of the UNGC, Lenovo upholds and supports the protection of internationally proclaimed human rights. Lenovo does not permit and takes every action to prevent the use of child labor, forced labor or coercion, including physical punishment, in any of its operations. Lenovo's Human Rights Policy outlines and commits to the following practices:

- Conduct business in accordance with the United Nations Declaration of Human Rights and the principles of the UNGC and extend those requirements to all suppliers doing business with Lenovo.
- Perform due diligence across the value chain to identify risks and prevent human rights violations.
- Provide access to grievance mechanisms, investigate allegations, and escalate known cases of human rights abuse to senior leadership for swift corrective action and resolution.
- Integrate training and accountability for respecting human rights across the business.
- Engage internal and external stakeholders to address common challenges and advance human rights practices through continuous improvement.
- Operate legally and ethically in each country where it conducts business.

WE SUPPORT

UN GLOBAL COMPACT

All of Lenovo's corporate strategies, practices, guidelines, and supplier requirements must support this commitment to human rights. In addition, as a signatory of the UNGC, Lenovo upholds the human rights, labor, and other principles of the UNGC – including Principle 3 regarding freedom of association. Lenovo upholds and supports fostering a workplace culture characterized by mutual respect, collaboration, and open communication. Lenovo recognizes that effective social dialogue is essential for nurturing a positive work environment and promoting employee engagement.

Lenovo is not aware of any cases of child labor or forced labor at its facilities. Concerns about possible human rights violations must be reported to Lenovo's management and can also be reported through Lenovo's various reporting channels, including, but not limited to, the Ethics and Compliance Office, Human Resources, Internal Audit, the Legal Department, or the LenovoLine (Lenovo's confidential reporting hotline). Lenovo takes all allegations and concerns seriously. Lenovo's Whistleblowing and Investigations Policy outlines the process by which concerns can be raised, are reviewed and are investigated. Lenovo's oversight body, the Investigation Oversight Committee (IOC), provides oversight to ensure concerns raised are appropriately investigated and addressed. More information is available in Lenovo's Human Rights Policy.

Lenovo is determined to ensure that the working conditions at its locations and supplier locations are safe, workers are treated with respect and dignity, operations are environmentally sound and business operations are conducted responsibly and ethically. Lenovo aims to raise awareness by engaging with the Responsible Business Alliance (RBA). As of the end of FY 2024/25, Lenovo's manufacturing sites in Brazil, China (Hefei, Shenzhen, Tianjin, Wuhan), Hungary, India, Japan, Mexico, and the US have achieved platinum, gold, or silver recognitions for RBA VAP and also achieved RBA FoC recognitions. This also includes a review of mechanisms, controls, and processes in place to prevent child labor and forced labor at each site that is assessed. The auditors also review employee files and conduct individual and group interviews.

Labor practices are also evaluated as part of the scope of two main business management systems: Enterprise Risk Management (ERM) and the ESG reporting materiality assessment. The detailed processes may vary by market and are based on local laws.

Health and safety

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

Lenovo adheres to international standards for workplace safety through its Occupational Health and Safety (OHS) Management System*. Lenovo's global manufacturing sites are ISO 9001:2015 (Quality), ISO 14001:2015 (Environmental), and ISO 45001:2018 (OHS) certified by accredited third parties. As required by these internationally accepted standards, the management of objectives and targets at each certified site continually fosters a safe and healthy work environment for employees.

The OHS Management System is also evaluated in the scope of Lenovo's global risk registration process as part of its Enterprise Risk Management (ERM) program. The ERM program is designed to enable effective and efficient identification, and management's visibility into critical enterprise risks, including health and safety. Through a process of planning, education, controls, performance evaluation, and continuous improvement, health and safety programs are assimilated throughout Lenovo's global manufacturing footprint.

The OHS management system involves a hierarchy of responsibilities and each role has specific duties and reporting lines to ensure that the organization maintains a safe working environment for all employees. Each manufacturing site reports applicable OHS data to the Lenovo Manufacturing and Engineering (LME) OHS Center of Excellence (COE) on a monthly basis. See Section 7.0 for OHS data.

* *The OHS Management System applies to Lenovo Manufacturing and Engineering (LME) manufacturing sites.*

Compliance management

Lenovo has an established process with assigned responsibilities for identifying and evaluating compliance with national, provincial, and local OHS legal and other requirements. Each manufacturing site must research and establish an inventory of applicable OHS legal and other requirements, which must be updated regularly. Compliance with these requirements is regularly evaluated and mitigation action is carried out when necessary. These applicable requirements are considered as Lenovo establishes, implements, maintains, and continually improves its OHS management system.

Applicable OHS legal and other requirements are categorized in accordance with how these requirements impact actual operations and functions performed at Lenovo. These operations and functions have been broken down into different categories, which include but are not limited to: Workplace Safety, Hazard Chemical Safety, Electrical Safety, Fire Safety, Process Safety and Risk Assessment, Health Services, and Emergency Response.

Hazard identification and risk assessment

One of the characteristics of the OHS management system is risk-based thinking. Hazard identification and risk assessment are always important inputs for work-related injury and ill health prevention, and operational controls. Lenovo has implemented a comprehensive hazard identification and risk assessment program that assesses the activities and projects throughout its operations. The program offers a comprehensive procedure for identifying health and safety hazards, assessing their impact on employees and the sites, recommending corrective actions, tracking required responses, and communicating the resolution of challenges. This strategy is one method employed to safeguard the health and safety of employees by identifying precautionary measures that prevent work-related injuries.

In FY 2024/25, Lenovo undertook various initiatives, such as an annual hazard identification and risk assessment, new equipment risk assessment, and more.

Health and safety awareness, and communication

Lenovo fosters a culture that values health and safety. Employee participation is essential to the success of health and safety management. The employee and/or contractor health and safety awareness programs include, but are not limited to:

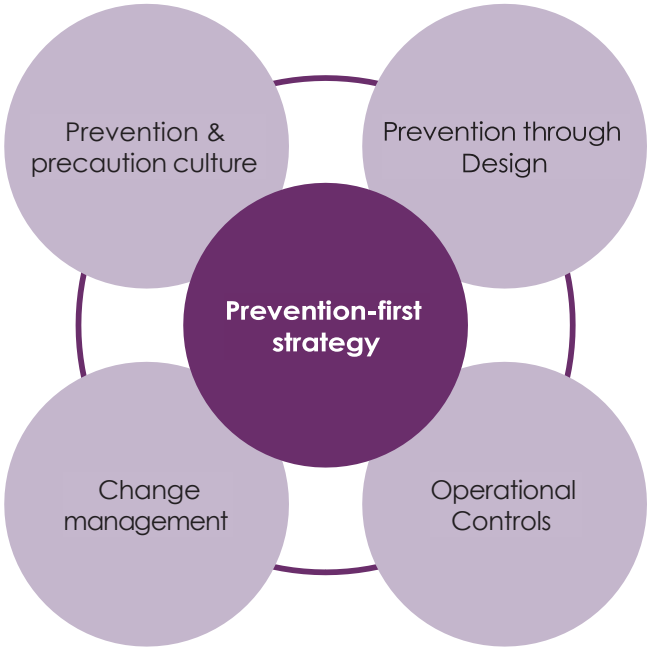
- New employee orientation: A presentation or video that covers topics such as health and safety legal requirements, workplace hazards, emergency procedures, and employees' health and safety obligations. Additionally, new employees may participate in safety training sessions per local requirements.
- Topic-specific training: Topics such as health and safety awareness, emergency response, electrical safety, chemical handling, machine guarding, breast cancer awareness, mental health, stress and emotion management, dental health, and more.
- Promotion activities: Activities including Safety Month, ESG Month, Health Week, Well-being Week, newsletters, safety talks and more.

Emergency brigade training at manufacturing site in Indaiatuba, Brazil in October 2024

Prevention and control

Lenovo's health and safety program prioritizes prevention, incorporating health and safety-related standards at the earliest stage of a facility development or at the earliest stage of any changes that can result in risks. In FY 2024/25, consistent with the concept of 'Prevention Through Design', an ergonomics guideline was formulated to provide manufacturing sites with practical guidance for the design or upgrading of manual workstations, identification of ergonomics-related hazards, and improvement options, thereby preventing discomfort and injuries associated with work activities.

Furthermore, a comprehensive Health Management System (HMS) framework was established, encompassing both occupational health services and voluntary health promotion services. An HMS diagnosis tool based on the framework was developed to assist LME manufacturing sites to evaluate the maturity of their HMS, including promoting mental and physical health among the workers, so as to proactively enhance HMS practices among all manufacturing sites.



Performance evaluation

Management assesses the performance of its manufacturing sites to ensure health and safety objectives are being met. These evaluations consist of:

- Conducting monthly assessments of health and safety KPI performance to ensure the sites are on track, correct any identified deviations, and help meet the targets as needed;
- Organizing a monthly global manufacturing ESG meeting to share updates on manufacturing site performance, best practices, and lessons learned;
- Conducting quarterly LME ESG Committee review meetings;
- Conducting internal audits of manufacturing sites, including site self-assessments; and
- Organizing periodic management reviews for each manufacturing site.

Incident investigation and corrective action

Lenovo strives to maintain a workplace that is accident and injury-free. When a work-related injury, illness, or near-miss incident occurs, departmental managers and the OHS team immediately launch an investigation into the incident to identify the root cause. Corrective action plans are then formulated, and implementations are tracked until closure.

Additionally, the OHS team engages in a 'Lessons Learned' process that includes sharing information and analyzing data with other manufacturing locations, and holding lessons learned meetings to increase awareness and prevent repeated incidents.

Emergency preparedness

Lenovo recognizes the importance of developing and implementing an emergency plan that protects people involved in its manufacturing processes and ensures that employees are familiar with its emergency response procedure. Each site has designed an emergency plan that specifies the appropriate response to unexpected events, minimizes related risks, and ensures the safety of employees. This process is further supplemented by providing skills that include first aid and cardiopulmonary resuscitation (CPR) training. To further enhance preparedness, several manufacturing sites have applied digital applications to enhance emergency response efficiency and emergency management.

Certification and audits

Lenovo is determined to ensure that the working conditions at all its manufacturing sites are safe, workers are treated with respect and dignity, operations are environmentally sound, and business operations are conducted responsibly and ethically. In support of this commitment, Lenovo has implemented programs and practices to ensure that its manufacturing sites comply with the RBA Code of Conduct.

Additionally, Lenovo continues to work to achieve and maintain RBA Validated Assessment Program (VAP) and Factory of Choice (FoC) recognitions at its manufacturing sites as it aims to demonstrate social and environmental leadership. Lenovo also conducts internal audits, ISO certification audits, and customer requested audits.

During the RBA VAP assessments, independent auditors assess the sites' labor, health and safety, environment, ethics, and supply chain management practices in addition to other ESG-related topics.

The RBA FoC designation is intended to recognize manufacturing sites that fully commit to the RBA Code of Conduct and demonstrate leadership through impact and transparency. To enter the FoC program, manufacturing sites must complete an evidence-based application that is reviewed by RBA staff to ensure the program's criteria are met. As of the end of FY 2024/25, Lenovo's manufacturing sites in Brazil, China (Hefei, Shenzhen, Tianjin, Wuhan), Hungary, India, Japan, Mexico, and the US have achieved platinum, gold, or silver recognitions for RBA VAP and also achieved RBA FoC recognitions.

Recognitions

In May 2024, Lenovo's manufacturing site in Wuhan, China, was honored with the "National Excellence Case of Healthy Enterprise Establishment" by the National Health Commission, in recognition of its exemplary performance in occupational health management, which included notable achievements in areas such as mental health support, chronic disease management, and the mitigation of occupational hazards.

In December 2024, one production line at Lenovo's manufacturing site in Hefei, China, was awarded the designation of "Class II of Safety Management Standardized Working Team" by China Association of Work Safety, in recognition of its outstanding performance and innovative practices in workplace safety.

In December 2024, Lenovo's manufacturing site in Shenzhen, China, was awarded the "Excellent Case of Family-Friendly Workplace" by Shenzhen Women and Children's Development Foundation. This recognition acknowledges the company's support and investment in family-friendly aspects as it relates to the workplace, and its efforts to create a work environment that facilitates work-family balance and the early development of employees' children.


荣誉证书

2024年度家庭友好实践优秀案例

Employment and talent management practices

Lenovo strives to attract the best talent, and develop, retain, reward, and engage its employees through its employment and talent management practices while ensuring compliance with relevant laws and regulations.

Attract

Recruitment

Lenovo's recruitment practices, which are housed and updated annually on Lenovo's Human Resources (HR) Knowledge Base, support the vision to deliver smarter technology for all. Lenovo's recruitment objectives are to develop strategies that support business needs and comply with applicable hiring laws and regulations (including Office of Federal Contract Compliance Programs (OFCCP), Equal Employment Opportunity Commission (EEOC), Pay Transparency, General Data Protection Regulation (GDPR), and Privacy Laws) while attracting the best talent from around the globe. Lenovo's Talent Acquisition (TA) organization manages the end-to-end recruiting process. This includes collaborating with Human Resources Business Partners (HRBP) and managers to understand hiring needs, while applying best practices to ensure the recruiting process is fair and consistent for all candidates.

Lenovo is focused on finding and hiring the best talent from around the world to support Lenovo's growth and success. Some key elements of its recruiting strategy include:

1. Diversifying the talent pool though good faith efforts and deployment of a Global Sourcing Hub that is focused on recruitment of qualified diverse talent;

2. Leveraging technology through the Career Site, Applicant Tracking System (ATS), Talent Community and Referral and Internal Career Portal;

3. Sharing the Lenovo Story and employer value proposition with internal and external candidates;

4. Promoting employee referrals via internal engagement and monetary rewards for hired candidates;

5. Annual recruiting across 180 markets, both live and virtually on university campuses, to source and fill approximately one thousand early career and intern roles;

6. Screening and assessment of skills, including pre-recorded video interview, soft skills, and technical or coding skills assessments. Lenovo is also working to attract and recruit competitive talent through skill-based job descriptions and evaluations; and

7. Building strong relationships with Lenovo's external audience, vendors, and internal customers while keeping exceptional customer experience in mind. Lenovo surveys candidates and managers on their experience and ties these to the team's KPI's.

Overall, Lenovo's recruiting strategy revolves around finding and hiring the best innovative talent from around the world, leveraging technology, encouraging employee referrals, focusing on campus recruiting, utilizing a dedicated sourcing team, skills-based hiring, and building excellent relationships with candidates to ensure a good fit for Lenovo's culture and values. Lenovo's goal is to hire for an expanding research and innovation and continue to grow its solutions and services employee base, attract executives with new skills, and target 20 percent of external hires filled through campus and early-career hires.

Lenovo's recruitment process shepherds the candidate's journey through all touchpoints, including employer brand recognition, sourcing activities, job postings via the careers site and various external vendor job listing sites, and communication throughout the application, interview, and offer process. Lenovo's recruiters also source candidates using social media, employee referrals, and other creative methods. As a Global TA organization, some of the recruitment practices that the team manages include:

- End-to-end hiring for interns, early-career, professional, and executive positions for all business units globally;

- Job board management across various platforms such as Lenovo's careers website, LinkedIn, Glassdoor, Indeed and various other job portals;

- Expansion of University Programs to build Lenovo's future workforce;

- Attendance at national conventions and conferences to build a pipeline of candidates from diverse groups;
- Lenovo Employer Value Proposition and Employer Branding designed to attract and retain talent; and
- Partnerships with organizations or vendors in support of individuals with disabilities (Disability: IN).

Internships are a vital source for prospective candidates. In FY 2024/25, Lenovo hired over 1,000 interns globally, providing meaningful learning experiences, mentor programs, innovation projects, and a view into a Global Fortune 500 technology company. Lenovo has adapted its intern program to a hybrid model, including virtual and on-site work opportunities to accommodate both business and intern needs.

Lenovo partners with universities worldwide to attract diverse and early career talent. Intern programs aim to recruit technology enthusiasts and STEM students from high school through doctoral degrees, helping attract qualified, diverse talent while building pipelines for potential hiring needs. Lenovo's talent team partners with its community relations team to help support funding for internships.

Lenovo is dedicated to growing and developing its workforce in support of its long-term innovation and transformation journey. It offers programs that include rotations across various business groups, early career leadership development, technical ladder programs, skills development, and technical certifications. Lenovo continues to be focused on fostering inclusion in its global workplaces and understands the importance of creating an environment where all can succeed.

Develop

Performance management and development

As the world continues to change at a rapid pace, so has the way Lenovo works. Employees are seeking more career development focus and opportunities and more frequent feedback to grow and learn. Lenovo uses an integrated performance management and development process – Succeed@Lenovo – to enable every employee to grow and succeed.

At the beginning of fiscal year, every employee kicks off their Succeed@Lenovo journey by setting up their Key Performance Indicators (KPIs) and Individual Development Plan (IDP), and having a conversation to align with their manager. Throughout the year, employees are empowered to use development resources, actively seek feedback from others, and receive continuous coaching from managers. During mid-year, and year-end, there are two formal check points for managers to assess employees' performance and conduct formal conversations on progress, challenges, opportunities, and next steps.

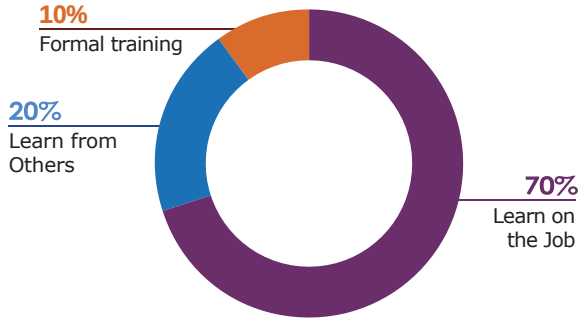
In the age of AI and rapid business transformation, it is crucial to align employee goals and development with Lenovo's business objectives. Lenovo will continue driving more focus on development, more frequent conversation and feedback, and differentiated rewards and recognition in Succeed@Lenovo, enabling employees to achieve their own growth and success together with the company.

Training and development

Lenovo recognizes that many of the skills people have today will change significantly over the next five years. Lenovo is committed to upskilling and reskilling its employees to ensure they are ready for the future. To meet the requirements of changing demands, including AI and digital transformation, Lenovo includes AI simulations within all leadership development programs as well as provides a personalized learning plan for all employees.

Lenovo's 70-20-10 approach to employee development recognizes that employees learn through three distinct types of experiences:

- Learn on the Job (70%): training and assignments,
- Learn from Others (20%): Developmental coaching, reverse coaching, and mentoring relationships, and
- Formal training (10%).



To support "Learning on the Job", all of Lenovo's employees complete an annual Individual Development Plan (IDP) and Key Performance Indicator (KPIs). This process not only defines performance targets and individual development goals, but this also allows them to build a development plan based on their current performance goals as well as their skills, interests, career interests, strengths, and growth opportunities. Lenovo's managers are encouraged to give regular feedback on KPIs and IDPs throughout the year, in addition to the formal mid– and end-of-year sessions.

Examples of this 70-20-10 model include:

Lenovo Gigs allows employees to match their current skills with short-term project opportunities to build their cross-team collaboration, further improve their skills, and showcase their talent.

Rotational programs including Global Future Leaders+ (GFL+), Global Supply Chain (GSC) rotational program, and Lenovo Accelerated Sales Rotation (LASR) expose cohorts of talent to multiple roles, tasks, and leaders during a specific timeframe to accelerate employee development.

FeedForward is a reverse-coaching program that allows Lenovo's early career talents to connect and communicate their ideas with senior executives. This program enables relationship-building needed to drive engagement that leads to future innovative solutions.

Lenovo has a comprehensive leadership and management development blueprint to provide support for managers during their leadership progression by offering specific learning experiences. The company has specific programs for first time managers, mid-career, executive level, senior vice presidents and above. In addition to specific-stepped leadership and management programs, Lenovo also offers additional skill development for change management, matrix management, and coaching. All courses are delivered globally both in-person and virtually and are carefully designed around Lenovo's leadership priorities and skills that support the company's mission, vision, and culture.

Lenovo complies with strict regulatory and statutory requirements globally and ensures all employees are annually completing the required training that includes but is not limited to: Lenovo's Code of Conduct, Anti-Harassment, Security Essentials, Privacy Basics, Anti-Bribery and Whistleblowing. See Section 7.0 for related training data.

Grow@Lenovo continues to be a strategic resource for employee upskilling and engagement. With tens of thousands of technical and professional training assets available, Lenovo enables employees to consume training that can enhance their knowledge and skills. Training assets include e-books, audio books, video courses, assessments, certification preparation courses, and virtual and instructor-led trainings.

Cultivating talent for careers in ESG

Lenovo recognizes that ESG is becoming increasingly more important and the need for appropriate talent to help companies achieve their sustainability goals. Lenovo has supported several external and internal initiatives to help cultivate talent for careers in ESG.

Lenovo has been a supporter of the China ESG Research Institute at the Capital University of Economics and Business (CUEB). Founded in July 2020, the institute is China's first university-based think tank dedicated to ESG research. Lenovo has supported the institute's ESG Elite Training Camp for two years through establishing the "Lenovo ESG Excellence Scholarship", and serves as an external ESG mentor to the students at the institute. Lenovo aims to provide resources to the institute, develop ESG skills, and collaborate on ESG-related research.

In October 2024, Lenovo supported CUEB's fourth and annual "Innovation Cup China University ESG Case Competition" as the title sponsor. The competition attracted students from several universities in China to compete for the "Lenovo Innovation Cup". As part of the competition, the participants were required to prepare ESG-related cases integrating current popular social issues and real-life examples of business case situations.

To attract talent interested in pursuing careers in ESG, Lenovo offers multiple internship opportunities where interns can experience working in a sustainability-related field.

For its employees, Lenovo offers many ESG courses, in both online and offline format, with the aim to help employees understand how to integrate ESG principles into a company's operations and strategies.

Through such efforts, Lenovo strives to cultivate an ESG mindset within the organizational culture and embedding ESG into talent development practices for both potential future and current employees.

Promotion

Among various mechanisms, Lenovo promotes its employees to demonstrate that it values growth and development. At Lenovo, a promotion is defined as an increase in job responsibility and complexities that results in the movement to a higher salary range. It is implemented based on the needs of the business and the line manager's assessment of the employee's readiness. Promotions should be based on the role first then individual readiness. When considering if a role should have a band increase, the business will evaluate a number of aspects including if the role has grown in scope, skills and knowledge required, complexity, and nature of impact. If it has been determined that the role is ready then the business will consider an individual's readiness based on a number of factors including past performance, time in band, career aspirations, and advocacy of Lenovo culture. Lenovo strives to support its employees in growing and developing careers while following its internal policies and ensuring compliance with applicable laws and regulations.

Retain and reward

Compensation and benefits

Lenovo is committed to designing and implementing competitive compensation and benefit programs aimed at attracting, motivating, and retaining talent. These programs incorporate a balanced mix of base pay, short-term and long-term incentive plans, and benefit programs. Lenovo's approach is rooted in compliance with all relevant laws and regulations, including those of the US such as the Equal Pay Act of 1963, the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, Title I of the Americans with Disabilities Act of 1990, the Fair Labor Standards Act and other legal requirements in every state where Lenovo has employees.

In addition to legal compliance, Lenovo proactively monitors market trends and industry practices, swiftly adapting its compensation and benefit strategies to remain highly competitive. To ensure competitiveness, Lenovo heavily invests in industry-leading market surveys and has a global team that actively monitors trend changes. Lenovo's overarching compensation and benefits philosophy centers on paying for performance and overall well-being, with a belief that outstanding individual contributions drive exceptional business outcomes. All regular employees – including non-sales staff – are eligible for incentives, commissions and various benefit programs.

Regular non-sales employees set Key Performance Indicators (KPIs) at the beginning of the fiscal year, with managers regularly reviewing and updating objectives as needed. No less than once per year, employees receive documented performance feedback, performance ratings, and an individual performance modifier (IPM) to support Lenovo's pay-for-performance culture. Non-sales employees are aligned to one or more of Lenovo's many performance units which – along with performance ratings and individual performance modifiers – impact their incentive payout. Sales employees operate under periodic quotas affecting commission payments, with quotas adjusted as market conditions dictate. Lenovo's performance management system allows for ongoing feedback, empowering employees to provide input throughout the year.

Lenovo prioritizes a supportive global working environment, offering flexibility for employees to balance their personal and professional lives. To attract and retain top talent in the competitive technology sector, Lenovo provides diverse benefits aligning with strategic guidelines: competitive positioning in local markets, alignment with business and cultural strategies, and emphasis on wellness, family support and financial well-being.

Lenovo's Total Rewards approach encompasses five key elements: compensation, benefits, work-life balance, performance and recognition, and development and career opportunities. This holistic approach is vital in attracting, motivating, and retaining Lenovo's most valuable resource: its people.

Globally, Lenovo offers flexible benefits tailored to multiple markets, providing employees with choices that suit their needs at various life stages. Options vary by geography, including opportunities to enhance insurance coverage or access lifestyle benefits at discounted rates. In the US, Lenovo provides voluntary wellness programs, administered in compliance with federal rules, fostering employee health and disease prevention.

Lenovo's commitment to pay equity and transparency

Lenovo is committed to pay equity as a fundamental principle guiding its compensation practices. Lenovo's approach to fostering a fair and inclusive workplace is grounded in compliance with legal frameworks.

Lenovo prioritizes a transparent and merit-based pay structure, ensuring that all employees are compensated fairly and equitably for their contributions based on their job, regardless of gender, race, age, disability, or any other protected characteristic.

To promote transparency, Lenovo regularly conducts pay equity analyses, ensuring that its compensation practices align with its commitment to fairness and equality. Lenovo's dedication to pay equity is integral to its broader global mission of creating an inclusive workplace where all employees feel valued and rewarded for their individual contributions. See Section 7.0 for related data.

Engage

Employee engagement – 'Lenovo Listens'

The Lenovo Listens survey strengthens engagement and retention by ensuring the employee voice is heard and acted upon.

In 2024, Lenovo conducted a survey that focused on employee engagement, manager effectiveness, inclusion, and other strategic areas.

Engagement reports were delivered to managers, along with executive reports for leaders of large business units. This underscores Lenovo's commitment to having engagement conversations at all levels to enhance business outcomes and further empower employees.

Lenovo's 'We Are Lenovo' culture

Lenovo strives to cultivate a 'We Are Lenovo' culture that engages its employees. Lenovo's culture is at the heart of every choice it makes for its employees and customers. It is the way its employees work together as one team, to drive success for Lenovo and its customers. Lenovo's culture enables its employees to deliver its vision of 'Smarter Technology for All', through products, services, solutions, and software that individuals, communities, businesses, and entire populations need to achieve their goals. When employees come to work, they step into an environment built on respect for the people. Lenovo is exceedingly proud to be a truly global citizen. Its diverse team of people facilitate greater collaboration across borders, so its employees are exposed to the best practices in every business sector.

Championing the promise of "We do what we say. We own what we do. We wow our customers", the 'We Are Lenovo' culture is underpinned by these culture values:

- Serving Our Customers,
- Innovation,
- Entrepreneurship, and
- Teamwork with Integrity and Trust.

From concept to practice, the 'We Are Lenovo' culture values and behaviors are incorporated into many of the people and corporate initiatives, from goal setting to incentive models, and even as deeply as criteria impacting organization and talent growth.

Lenovo established culture engagement initiatives to help employees embrace the culture values in their day-to-day work and believe that their behaviors are critical to achieving Lenovo's service-led transformation.

'We Are Lenovo' culture strives to be at the core of what connects employees, making each individual and the entire organization better. Lenovo believes great ideas can come from anywhere, and it appreciates the unique perspective and talent its employees bring. As a way to showcase how its employees live the culture values, Lenovo collects, publishes, and promotes outstanding stories on its culture story platform and through other mediums. Stories are also available in multiple formats such as in videos and through different channels, enabling employees around the world to learn and be inspired in accessible and engaging manners.

To align and collaborate on shared goals, Lenovo provides a platform called The Big Bang Forum as "the think tank of Lenovo", for Lenovo's leaders to showcase its innovation and strategic plans for products, services and solutions, high-tech, business models, and more. Lenovo also offers 'The Innovation Series', a platform for its thought leaders and employees to share innovative ideas and initiatives with opportunities for brainstorming and learning about available training and innovation tools.

Lenovo is committed to cultivating an inclusive and engaging environment built on respect for its employees, empowering greater collaboration and innovation worldwide. By championing of the 'We Are Lenovo' culture values through support across its stakeholders, Lenovo aims for success for its businesses, customers, and employees.

Global philanthropy and community engagement

Investing in communities

Lenovo's social investments are focused on reducing inequalities, providing quality education to reduce poverty, and clean water and sanitation. Lenovo has a goal of committing a minimum of 0.5 percent of its pretax income to global social investment programs and initiatives. Lenovo's social investments are executed through charitable corporate contributions and its charitable entities: the Lenovo Foundation, U.S. 501(c)(3), and the Lenovo Foundation Beijing (non-profit registered in China).

The global philanthropy team has established giving guidelines and compliance processes that are localized for alignment across the diverse markets where Lenovo conducts business.

Lenovo philanthropy governance

Corresponding with the launch of the Lenovo Foundation in 2018, Lenovo's global philanthropic initiatives are governed by a global philanthropy board of executives. The board works to represent communities that Lenovo philanthropy serves while advocating for philanthropic initiatives in their local region. The board governs and advises the operations of the Lenovo global philanthropy team through regularly scheduled board meetings each year and ongoing grantmaking oversight.

Social investment focus areas

In alignment to the UN Sustainable Development Goals, Lenovo global philanthropy has key focus areas of contributions: reduced inequalities, quality education, and poverty reduction. Lenovo invests in these key focus areas through strategic investments, employee volunteerism, and humanitarian response. Lenovo's efforts include the following:

- Partner with charitable organizations, educational institutions, and civic groups to empower under-represented populations with access to technology and STEM education. In FY 2024/25, Lenovo invested in strategic partnerships with charitable, mission aligned organizations around the world.

- Share Lenovo's Smarter Technology for All vision with communities around the world through employee volunteerism aligned to its mission and vision. In FY 2024/25, Lenovo invested in employee engagement initiatives such as its Love on Month of Service, global matching gift benefit, and volunteer incentives (sometimes known as dollars for doers).

- Use Lenovo's technology and philanthropic resources to strategically prepare for and respond to natural and humanitarian disasters.

See Section 7.0 for social investment data.

Impact and measurement

The Lenovo global philanthropy team assesses and reviews its programs and partnerships to measure and increase its charitable impact. The team has set goals to directly impact 15 million people and transform one million lives by the end of FY 2025/26 (base year FY 2021/22). To measure progress toward these goals, the team has standardized how it measures impact and transformation across its charitable investments.

Impact

- Direct impact (15 million lives by 2025): Beneficiaries measured through person-to-person contact as measured at volunteer events, trainings, product loan programs, and product donations provided without individual ownership or 1:1 ratio (i.e., computer labs at schools).

- Indirect impact (not measured): Secondary beneficiaries of volunteer events, trainings, product loan programs, or product donations provided without individual ownership or 1:1 user ratio (i.e., families benefiting from students' increased tech literacy, parents not needing to secure childcare while child is at a STEM program).

Transformation

- Transformative impact (1 million lives by 2025): Beneficiaries who received training or education, advancement, or credentials that provide transformative opportunities for quality of living that they did not have access to before.

Lenovo philanthropy conducts annual impact surveys with its charitable partners to collect partner-reported data that can be analyzed against the team's standards. With these standardizations set, the team is on track to meet their goals by FY 2025/26.

Global programs

Community partnerships

Lenovo has developed strategic community partners in each of its business geographies. The community partners are selected in alignment with Lenovo Foundation's mission to empower underrepresented populations with access to STEM education and technology. Lenovo also has disaster relief partners established in key geographies. In addition to partners focused on Lenovo's philanthropic missions and disaster response at the business geography level, Lenovo has selected global partners whose impact reaches multiple business geographies.

Love on Month of Service

Since 2017, Lenovo's employees around the world have organized an annual community service event. With the leadership and organization of the global philanthropy team and support from local business leaders, employees in offices around the world are invited to design a volunteer event aligned to the Foundation's mission to empower underrepresented populations with access to technology and STEM education. Projects are organized with local NGOs to align to Lenovo's philanthropic mission while meeting the needs of the diverse communities where Lenovo's employees live and work. The program's impact is measured by the key metrics of number of employees engaged, beneficiaries, hours volunteered, and offices participating. Lenovo's Love on Global Month of Service has grown by at least one metric every year since it began.

AI for Social Impact

In FY 2024/25, aligned to Lenovo's focus on providing Smarter AI for All, Lenovo philanthropy created the AI for Social Impact initiative. The initiative works to connect non-profits with education and resources so that they can harness AI to enhance their missions.

- AI for Social Impact webinars were created to share Lenovo's AI expertise with non-profits through free webinars shared with Lenovo partners and on non-profit websites.
- Through its global partnership with Ashoka, a non-profit organization, Lenovo has been able to support changemakers whose organizations are making an impact by harnessing AI.
- Lenovo partnered with Tech to the Rescue to offer the AI for Social Impact Lab, focusing on the areas of climate change and education, and giving non-profits the resources to develop and deploy AI solutions that enhance their missions.

Employee resource group grant round

To strengthen Lenovo's social impact and employee engagement, Lenovo's philanthropy program empowered the leaders of its employee resource groups by facilitating partnerships with community organizations that are aligned to their diversity segment. Since 2020, the program has funded new and renewed partnerships that empower diverse communities and share Lenovo's smarter technology for all vision around the world.

Humanitarian response

Lenovo philanthropy organizes measured responses to natural and humanitarian disasters that occur throughout the fiscal year. Lenovo leverages its own funds and technology to respond to disasters and engages employees in matching gift opportunities as appropriate.

Lenovo's corporate citizenship team conducts a matrix-based assessment and organizes Lenovo's response in phases:

- Preparedness: Lenovo has established strategic partnerships globally including those with American Red Cross (US-based disasters) and Wine To Water (international disasters impacting access to clean water) to ensure these partners are able to serve communities when disaster strikes.
- Immediate response: Lenovo takes an employee-first approach immediately after a disaster to understand if and how employees were impacted and engage the workforce in response.
- Additional response: Based on the disaster impact matrix assessment and advice from disaster response partners, Lenovo may allocate additional funding to support critical humanitarian needs in the wake of a disaster.
- Recovery: When communities are recovering from the disaster and assessing damage and losses, Lenovo may work with communities and established partners to replace lost technology resources.

Love on platform for employee giving benefits

Launched in 2021, the Love on platform is Lenovo's employee engagement tool, available to full-time employees in Lenovo's Asia Pacific, Europe/Middle East/Africa, Latin America, and North America business geographies. The tool encourages employees to give their time and resources, supported by volunteer and matching gift benefits from Lenovo.

- Volunteer benefit: Lenovo's employees are encouraged to volunteer eight hours per quarter with causes and charities of their choice. Employees can claim five dollars (or its local currency equivalent) per volunteer hour in the Love on platform, which can then be donated to any cause on the platform that meets Lenovo's giving guidelines.

- Matching gift benefit: Employees can donate to causes on the Love on platform that meet Lenovo's Charitable Giving Guidelines and receive a 100 percent match from Lenovo. The Lenovo philanthropy team hosts annual giving campaigns to encourage donations to employees' favorite causes, strategic community partners, and in response to humanitarian crises (see Humanitarian Response).

Community impact through sustainable water access

Lenovo's commitment to sustainability, communities, and disaster response is showcased through its ongoing partnership with Wine To Water, a non-profit organization that provides access to clean drinking water and hygiene education to communities around the world.

Lenovo's Wine To Water partnership primarily focuses on building infrastructure that provides access to clean water for communities in need. The partnership is also leveraged in the wake of natural disaster and humanitarian response through the deployment of water filters. By providing water filters, Lenovo and Wine To Water not only support community's survival and mitigate water borne illness after disasters, but also reduce waste that would be created by use of bottled drinking water.

As part of the UN Global Compact's Forward Faster initiative, Lenovo's partnership with Wine to Water aims to bring access to safely managed water services, and improved sanitation and/or hygiene education to at least 25,000 people annually.

Inclusive workplace

A message from our Chief Inclusion Officer

February 2025 marked Lenovo's 18th year of investing in global inclusion as part of its business and human resource strategy. After nearly 20 years of program development, the office has seen many changes. My predecessor oversaw the office's name being changed, the accomplishment of meeting our first generation of representation aspirations, and the growth of employee resource groups around the world. Through internal efforts to support best practices and grow inclusion, we're learning how to tap into different perspectives, cultures, and strengths to fuel our innovation. But one thing that hasn't changed has been our expectation of global respect and cultural inclusion at Lenovo. Working at Lenovo requires our employees to develop critical skills in global communication, listening, and collaboration. These skills are vital for both driving the business forward and achieving individual success at Lenovo.

As Chief Inclusion Officer, I remain focused on fostering an inclusive environment in our global workplaces. My team supports Lenovo's vision of providing smarter technology for all and understands the importance of creating an environment where all can succeed. Our programs and policies reflect these values as we seek to create a workplace that promotes understanding and collaboration. As a global company, navigating dynamic geopolitics is part of how we do business across 180 markets. Perspectives around diversity initiatives are evolving across the markets we serve, especially in the US. It has become an important moment to listen and adjust in order to ensure that we collectively reinforce inclusion in all of our work. Inclusion has always been at the core of what we do, and to exclude anyone on the basis of race, gender, background or any other factor would be counter to the mission I know my peers and I have been committed to for years.

Our focus on inclusion isn't just reflected in our workplace. The growth of employee resource groups at Lenovo has enabled product feedback from different user segments. Bias mitigation has become a critical element of our product and solution evaluation. Through user feedback and governance models, our Inclusive Product Design Office is now vetting 75% of our products and solutions, an incredible effort to ensure our smarter technology works for all, regardless of their background or ability.

Echoing the letters of our Chairman and CEO, and Chief Responsibility Officer, we are proud of the recognitions we've received for our diverse and inclusive workplace. In 2024 we were especially proud of Disability:IN's recognition of Lenovo as a best place to work for people with disabilities in the US, Brazil, and the United Kingdom.

With the support of the Lenovo Executive Council, the Global Inclusion Board and the passion and energy of employees around the world, we will continue to create an inclusive workplace that enables our company-wide vision of providing smarter technology for *all*.

Calvin J. Crosslin
Vice President, Chief Inclusion Officer and President, Lenovo Foundation

Global Inclusion Board

Since 2018, Lenovo's inclusion initiatives have been overseen by a board of Lenovo Executive Council members. The Global Inclusion Board is comprised of senior leaders from across Lenovo's business units and geographies, inclusive of Lenovo's Chief Inclusion Officer, Calvin Crosslin. The Global Inclusion Board serves as counsel to Lenovo's inclusion strategy and helps to drive accountability across organization with the vision of leading intelligent transformation by celebrating the strength of a diverse workforce and building an inclusive culture where everyone can thrive. Through quarterly meetings and ongoing communications, the Global Inclusion Board has adopted a four-pillar strategy designed to foster greater inclusion, which aims to:

1) Build inclusive leadership behaviors;

2) Foster inclusive systems;

3) Ensure accountability;

4) Tell Lenovo's unique inclusion story.

Inclusive culture

Assembling a workforce that achieves its full potential through an inclusive culture is fundamental to Lenovo's competitive success. A key element in Lenovo's workforce diversity programs is the commitment to equal employment opportunity and to prohibit discrimination, harassment, and similar inappropriate behavior in the workplace. Lenovo's policy and Code of Conduct commit to providing a work environment free of discrimination and harassment based on race, color, gender, religion, age, nationality, social or ethnic origin, sexual orientation, gender identity or expression, marital status, pregnancy, disability, or veteran status. Lenovo policy prohibits management from making employment decisions based on such characteristics. These business activities and the design and administration of Lenovo's benefit plans must comply with all applicable laws. For qualified employees with disabilities, Lenovo will make reasonable accommodations needed for effective job performance in a manner that complies with applicable laws.

As a global company, inclusion has been fundamental to Lenovo's history and is among its greatest strengths. Its global team of people and locations enables collaboration and sharing across borders and encourages Lenovo to adopt the best practices in the markets it serves. Lenovo is bringing awareness about inclusion to all its leaders and employees in a variety of ways, including Global Anti-Harassment training to ensure a workplace free of harassment.

An inclusive business model starts at the top. Lenovo's leaders throughout the world hold a deep commitment to these values that fuel long-term growth. Lenovo believes that a global workforce should reflect the global customers that it serves, and this begins with leadership that represents the various cultures and ethnicities where it does business.

Workplace aspirations

In 2021, Lenovo set five-year aspirations for executive representation. While the timeline for these aspirations ends in March 2026, Lenovo is looking to the future and designing its next areas of workforce focus. During this time, Lenovo has measured fluctuations in its aspiration to reach 27 percent women executive representation globally and 35 percent executive representation from culturally unique backgrounds and identities in the US. Lenovo's commitment to excellence and industry competition demands that leadership responsibility is always given to the strongest candidate, regardless of their gender or background. Lenovo is committed to learning from the changing dynamics that influence its top talent and striving for a workforce where everyone can succeed, and its global customers are represented. Demographic information about Lenovo's workforce can be referenced in later sections of the report.

Committing to inclusion

Lenovo has taken a step forward in advocacy for women by endorsing the United Nations' Women's Empowerment Principles (WEPs). These principles offer guidance for businesses to promote gender equality and women's empowerment in the workplace, marketplace, and community. While Lenovo works toward gender equity, it understands that reducing bias and increasing gender equality is an effort that will require its total commitment. Lenovo is proud to join its fellow signatories and UN Global Compact (UNGC) members in this initiative.

In May 2022, Lenovo also signed the Declaration of Amsterdam, confirming its commitment to fostering an inclusive workplace for its LGBTIQ+ employees. Developed by Workplace Pride in 2011, the Declaration of Amsterdam was created to make meaningful progress for LGBTIQ+ people worldwide and eliminate the discrimination, harassment, and discomfort these employees may face in the workplace. In FY 2024/25, Lenovo received its highest score earning Ambassador status in the annual Workplace Pride Global Benchmark, a comprehensive assessment of international employers' LGBTIQ+ policies and practices and in FY 2024/25, Lenovo was included on the Corporate Equality Index for the seventh year in a row, receiving a score of 95 out of 100. Lenovo is committed to fostering an inclusive workplace for its global LGBTIQ+ employees.

Embedding inclusion in a global workforce

Lenovo is proud to support its dynamic network of global employee resource groups (ERGs) and communities of practice (COPs) around the world that foster a sense of inclusion and belonging in its workforce. The groups are led by employee volunteers and sponsored by executives who are allies or personally identify with the community that the group supports. Whether it is a group regarding gender, generations, LBGTIQ+, race/ethnicity, abilities or allyship, global employees are creating community with each other. All Lenovo ERGs and COPs are open to every employee.

Employees actively participating in ERGs emerge as leaders in Lenovo's diversity and inclusion efforts. Their impactful contributions encompass a diverse range of programs, such as professional development, mentoring, community outreach, and recruiting. Notably, Lenovo's ERGs play a pivotal role in supporting the Inclusive Product Design Office (IPDO) through valuable assistance in product testing.

As the intersectionality within Lenovo's workforce continues to grow, the collaboration among ERGs has proven to be exceptionally effective. These groups amplify each other's events and foster a culture of allyship, creating a dynamic and inclusive environment within the company.

While ERGs foster inclusion and understanding for diverse communities in certain markets, Lenovo's Global Inclusion team has created strategies to increase inclusive behaviors amongst all employees.

- CARE Model for Inclusive Behaviors: The training model defines and encourages four behaviors to foster inclusion in the workplace: communicating across differences, acting in allyship, recognizing and mitigating bias, and ensuring psychological safety.

- Disability Advantage Initiative: This strategic initiative aims to cultivate a culture of disability inclusion by fostering awareness, providing resources, and encouraging innovation. The Global Inclusion team employed the International Labour Organization (ILO) Global Disability Self-Assessment in countries with large employee populations to identify areas for improvement. To drive this initiative forward, a global HR task force has been established to take the lead in activities related to training, outreach, and communications. The overarching goal is to revolutionize Lenovo's culture, making it more inclusive through integrative accessibility for the benefit of all.

Innovating for inclusion

Lenovo's Inclusive Product Design Office (IPDO)

The IPDO's mission is to ensure that development teams design and test products with diversity and inclusion in mind. Launched in 2019, the IPDO now vets 75 percent of Lenovo's products. The Diversity by Design review process begins when development teams submit information about a new technology. The IPDO evaluates diversity risks and makes recommendations accordingly. High-risk products are presented to an executive board, which may recommend user testing with diverse groups. Products may also be referred for Accessibility Consultation or Responsible AI Review. This approach helps minimize bias in Lenovo's products.

To innovate for inclusion, the IPDO works with communities of disabled users so technology can better meet their needs. One example is Lenovo's partnership with the Governor Morehead School for the Blind in Raleigh, North Carolina. The purpose of this partnership is to learn how blind users as well as users with limited vision interact with Lenovo products and obtain feedback that can be taken back to Lenovo development teams to further improve products to truly be 'Smarter Technology for All'.

Community engagements have inspired features, such as the ThinkPad X1 Carbon Gen 12 keyboard with additional tactile markings to increase accessibility for blind and visually impaired (VI) users, and the TTS Dongle for ThinkVision P25i-30, one of the first monitor add-ons that talks back to blind and VI users.

Since becoming a member of the Valuable 500 in 2020, Lenovo continues to partner with disability rights advocates to ensure its products and solutions are inclusive and accessible. The Valuable 500 is a global business collective of 500 CEOs who have pledged to work together to drive systemic change.

As a Disability:IN corporate partner dedicated to promoting disability inclusion and equality, Lenovo understands the value of harnessing disability as a strength. Lenovo's achievement of a perfect score on the Disability Equality Index (DEI) underscores its commitment to these principles, earning the distinction of being among the "Best Places to Work for Disability Inclusion."

Digital inclusion

Motorola and Lenovo Foundation are committed to inclusion and smarter technology for all and continue to support endangered languages in the interface of its smartphones.

In FY 2024/25, with support from Lenovo Foundation, Motorola jointly collaborated with UNESCO to publish a white paper detailing Motorola's Indigenous Languages Digitization process with the aim to strengthen global focus on digital inclusion. In addition to Nheengatu (Amazon region), Kaingang (south/southeast of Brazil), Cherokee (North America), Kuvi, Kangri (India), and Maori (New Zealand), Motorola and Lenovo Foundation proudly introduced Ladin, an endangered language spoken in the Dolomites region in Italy (South of Tyrol) as part of more than 90 languages to use in Motorola smartphones.

5.0 Governance

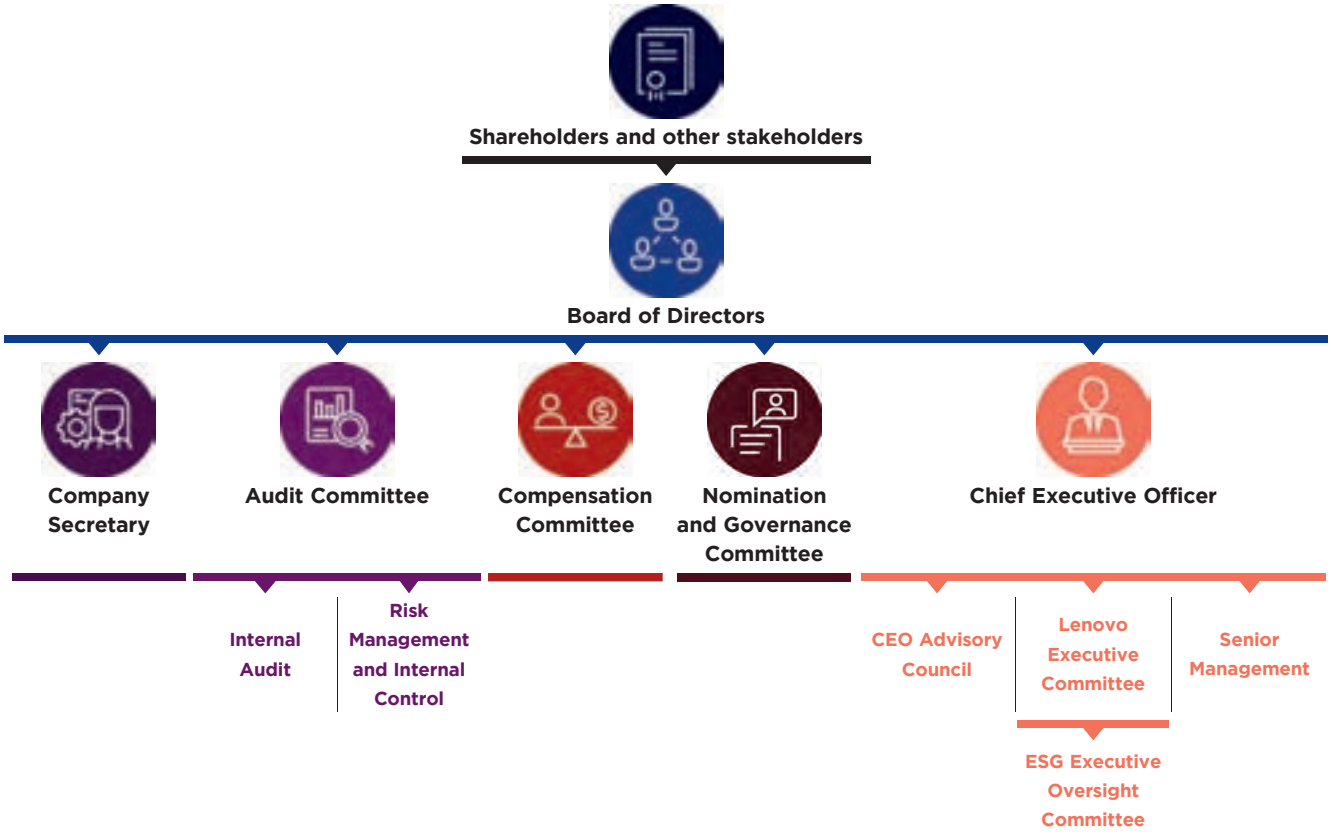
5.0 Governance

ESG governance

A statement on oversight and management of Environmental, Social and Governance

The oversight of Environmental, Social, and Governance (ESG) programs, and the approach and strategy of the Group towards the management of ESG matters was set out in a statement issued by the Board of Directors (the "Board") of the Company. Details of which are set out below:

ESG governance structure



Board oversight

The Board has the highest level of oversight for ESG matters and reporting and manages this responsibility with support from various committees and the management of the Group. The Board's oversight of the Group's ESG matters and processes includes support and evaluation of the Group's management of and response to key ESG-related risks and opportunities including those related to climate change as applicable, in the context of strategy, decisions on major transactions, potential associated trade-offs, risk management policies, and long-term value-creation across its business operations.

ESG-related topics are included in the agenda items of the Board and Board Committee meetings throughout the financial year, and ESG is a standing agenda item at least twice annually. Board members are regularly briefed on and have discussions about critical ESG risk areas, opportunities, and key ESG practices. Board meeting discussion topics include but are not limited to the reporting principles adopted by Lenovo, the Group's ESG Key Performance Indicators (KPIs), and topics related to climate change such as climate strategy and progress towards its climate change mitigation goals. Following the concentrated discussions on aforementioned ESG issues including long-term risks and opportunities that impact the Group's stakeholders and the business, the Board makes decisions as appropriate and provides oversight on ESG matters. The Board approves certain ESG-related matters, the ESG Report and other ESG-related disclosures in the Company's annual report.

ESG oversight is supported through the Nomination and Governance Committee, which develops and reviews the corporate policies and practices regarding governance and compliance with legal and regulatory requirements. The Audit Committee has a complementary role in the effective management of risks and safeguarding the Group's resources, through oversight of the Internal Audit and Enterprise Risk Management (ERM) systems, both of which support overall ESG risk management practices. The Board, with support from the Audit Committee, has an annual review of the adequacy of resources, staff qualifications and experience, training programs, and budget related to the Group's ESG performance and reporting. The Chief Legal & Corporate Responsibility Officer provides executive leadership for the Group's ESG position and ensures regular reports are made to the Lenovo Executive Committee (LEC), and the Board and its Committees to facilitate the Board's annual review of ESG matters for compliance with relevant regulatory requirements. The LEC consists of senior management who have delegated authority established by the Chief Executive Officer to manage operational performance, including strategic decisions.

In addition, the ESG Executive Oversight Committee (EOC), chaired by the Chief Legal & Corporate Responsibility Officer, provides strategic direction, and facilitates the coordination of ESG efforts across the Group, including proposing recommendations for the effective management of ESG risks and programs. The ESG EOC is comprised of senior management from across the business and functional areas who have an understanding of the impact of ESG-related risks on Lenovo's business operation model, address and monitor such risks as appropriate, and ensure ESG matters are considered as part of the business-decision making process. The ESG EOC is also chartered to promote a culture that encourages strong ESG performance, including compliance and leadership activities.

The ESG EOC is responsible for:

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

The Board is aware of the importance of an effective Board, including continuous improvement of its own collective performance in the leadership of the Group; promoting the Group's success in certain areas; and improving its ESG performance via addressing climate-related risks and opportunities and the oversight of ESG matters. For enhancement of the effectiveness and improvement of the performance of the Board and its Committees, a formal Board evaluation led by the Nomination and Governance Committee is conducted every two years or as agreed by the Board members with active participation of all the Board members.

It is important for Directors to keep abreast with the latest regulatory and ESG development and refresh their knowledge and skills in such areas through continuous professional development. As part of the Board's continuous professional development program, Directors from time to time receive training on ESG matters including anti-corruption, climate, water, ESG risks and opportunities, and other relevant topics in the form of presentations from ESG professionals. In addition to ESG training, Directors also receive regular newsletters discussing material ESG issues such as topics discussed by ESG EOC and the ESG developments of the Group. Directors are also updated on a continuing basis by the Company Secretary on ESG news or regulatory updates as released by the Hong Kong Stock Exchange and other professional organizations. This facilitates Board members' understanding of the latest compliance requirements, the Group's ESG practices, supports the continuous development of ESG competencies within the Board's skills matrix, and increases awareness of ESG impacts on the Group's operations.

ESG management approach

In addition to the responsibilities listed above, the Board, through management process, delegates authority to the ESG EOC for the following ESG oversight activities:

- Overseeing the assessment of the Group's environmental and social impacts, including the Group's annual materiality assessment process;
- Ensuring alignment of the Group's ESG programs with regulatory requirements and investor expectations;
- Understanding the risks of ESG issues on the Group's operating model and ensuring appropriate and well-followed actions are taken to address the risks; and
- Ensuring that ESG considerations are part of business decision-making processes.

As part of the Group's ESG program, a materiality assessment is conducted annually involving internal and external stakeholders to identify ESG-related risks and opportunities and their impacts on the business and stakeholders. The results are reviewed and approved by the ESG EOC and included in the ESG Report that is reviewed and approved by the Board. This assessment guides the objectives for the Group's ESG programs, including goals and targets, informing the business strategy, targeting communications, and the disclosures in the ESG Report.

The Group recognizes that risk management is the responsibility of everyone within the organization, and that risk is best managed when business functions take responsibility and are accountable for them. Rather than being a separate and standalone process, risk management is therefore incorporated as part of the Group's annual strategic planning process across all major functions.

The Group's official ERM process details various business risks that include environmental, social, and governance risk categories. Annually, the Group requires each business unit to identify risks, assess their impacts on executing its strategy, and develop risk mitigation plans. The results of this assessment ensure that effective risk management and internal control systems are in place.

ESG-related information is periodically audited using an internal control framework as part of a broader corporate risk assessment that incorporates audit processes to provide independent and objective assurance that the Company's ESG disclosures, statements, and metrics are accurate and aligned with the Group's risk management approach. The Group has been following a long-standing integrated approach for internal control which is consistent with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) internal control framework. This internal control framework is overseen by the Audit Committee.

The Company's ESG disclosures, statements, and metrics are managed by a dedicated team that is focused on monitoring the effectiveness of the ESG initiatives and reporting the organization's progress against the goals and targets.

Review of progress and relevance to the business

The ESG EOC conducts regular meetings to assess the progress of the Group's ESG initiatives, including those addressing climate change and net-zero targets, their relevance to stakeholder expectations and the Group's long-term business strategy, and the direction of and investment in ESG programs.

The Group sets targets to address its material impacts through a variety of related processes, including the Group's ISO 14001:2015 (environmental), ISO 50001:2018 (energy management), ISO 45001:2018 (occupational health and safety), and ISO 9001:2015 (quality) management systems. In addition, relevant teams and departments within the Group including Strategy, Human Resources, and others may set KPIs related to their own impacts which may be integrated into the corporate ESG KPIs as appropriate. The Group's corporate ESG KPIs are developed with approval from the ESG EOC and supported by the LEC and the Board.

The ESG practices and related goals and targets, KPIs and progress are periodically reviewed by the Board and are aligned with credible industry and science-based standards, and ESG reporting frameworks. The Group's progress is disclosed in the ESG Report that is reviewed and approved by the Board.

ESG performance metrics and climate-related considerations are factored into certain executive officer's remuneration policies where KPIs are tied to variable compensation or may result in non-monetary incentive such as recognition including employee awards.

The Board acknowledges that the corporate ESG landscape is evolving, and that the effective governance of ESG matters is fundamental to a company's ESG accountability. As the Group regularly evaluates the ESG risks and opportunities faced by the industry and the potential impacts on the Group's business continuity plan, the Board strives to strengthen the oversight of ESG programs and practices that will help to build a more resilient future for all.

Ethics and integrity

Ethics and integrity serve as the foundation of all Lenovo business practices. Results from Lenovo's most recent 'Lenovo Listens' survey highlight one of Lenovo's greatest strengths: ethical business practices. Specifically, 97 percent of Lenovo's workforce believes that Lenovo is ethical in all its business dealings. Lenovo recognizes its success hinges on its steadfast commitment to these values. This commitment is reinforced among the workforce through Lenovo's core values, which emphasize the significance of "Teamwork with Integrity and Trust," one of Lenovo's four fundamental cultural tenets.

Lenovo's Ethics and Compliance Office (ECO) was established to foster a culture that is committed to implementing these values. The ECO works in partnership with stakeholders across the globe to promote legal and ethical operations. The ECO actively raises awareness about the importance of ethical and compliant business practices to Lenovo and serves a critical role in providing employees with the information, resources, and training they need to make informed ethical decisions.

The ECO also oversees Lenovo's Code of Conduct (Code), which establishes clear expectations for employee compliance with its policies related to lawful and ethical business conduct. The Code reflects Lenovo's culture of trust and integrity, holds employees accountable for their behavior, and helps employees determine when and where to seek advice. The Code, policies, and related awareness and training materials are provided electronically and through periodic communications. Specifically, Lenovo's new hires are required to take Code training. In order to successfully complete the training, all employees are required to provide attestation of their adherence to the Code and Lenovo policies. The Code training covers various topics, including, conflicts of interest, insider trading, anti-bribery and corruption, anti-competitive practices and fair competition, anti-money laundering, and international trade compliance. See Section 7.0 for related data.

The ECO is supported by the following committees:

Board Committees

- The Audit Committee is annually briefed by the ECO on matters including the adequacy of resources for ESG reporting
- The Nomination and Governance Committee oversees the corporate policies and practices about governance and compliance with legal and regulatory requirements

Other Committees

- The Executive Ethics Committee provides executive-level oversight and guidance to the ECO
- The Investigation Oversight Committee works closely with the ECO to oversee Lenovo's internal investigation process and speak up initiatives
- The Regional Ethics and Compliance Committee provides the ECO with global support, perspective, and insight

Business practices

Lenovo's Code mandates compliance with applicable laws in markets where it conducts business. Its policies strongly support ethical and responsible business practices, which include areas such as anti-bribery and corruption, data privacy, anti-competitive practices and fair competition, trade compliance, intellectual property and more.

Anti-bribery and corruption

Lenovo has zero tolerance for bribery and corruption. Lenovo complies with the anti-bribery and corruption laws in every jurisdiction where it conducts business. Lenovo's Global Anti-Bribery and Corruption Policy along with Lenovo's Global Gift, Entertainment, Corporate Hospitality, and Travel Policy reinforce provisions in the Code and provide additional guidance regarding compliance with global anti-bribery and corruption rules and laws. The policies stress that Lenovo will not directly or indirectly solicit, offer, promise, authorize, provide, or accept anything of value to any person, including government officials, to influence action, inaction, or to secure an improper advantage as defined by applicable laws.

To support employees in understanding these requirements, Lenovo provides comprehensive training on anti-bribery and corruption. In FY 2024/25, this training was integrated into the mandatory eLearning Code training. Lenovo also provides Code training to new employees, which includes anti-bribery and corruption topics. The Board of Directors and Senior Leadership Team are provided a facilitator-led training session on anti-bribery and corruption.

Bribery and corruption risks are also evaluated as part of Lenovo's Enterprise Risk Management Program risk assessment on an annual basis to ensure Lenovo's internal controls effectively address and mitigate bribery and corruption risk to the enterprise.

As Lenovo holds all employees to the highest ethical standards and requires compliance with applicable anti-bribery and corruption laws and regulations, it extends this obligation to its business partners. Lenovo's business partners are expected to adhere to the same standards of integrity that Lenovo demands of itself. All business partners are subject to comply with Lenovo's Partner Code of Conduct and Lenovo's Global Anti-Bribery and Corruption Policy, which includes the requirement to conduct anti-bribery and corruption due diligence on any business partner identified as presenting elevated bribery and corruption risks to the organization. Lenovo actively monitors these business partners to address any potential areas of concern or inquiries regarding bribery and corruption.

Anti-competitive practices and fair competition

Lenovo competes for business ethically and lawfully. The Code and policy on anti-competitive practices and fair competition set out fundamental principles to serve as guidelines for employees in complying with the competition laws in every jurisdiction where Lenovo operates. In particular, employees are strictly prohibited from engaging in anti-competitive practices, including entering into an agreement or discussion that would result in price-fixing, limitations on the availability of goods or services on the market, or agreements to boycott a customer or supplier.

Lenovo continues to communicate requirements of global antitrust and anti-competition laws and regulations to the workforce on a periodic basis.

Global trade compliance

Lenovo is fully committed to complying with all applicable global trade laws and regulations in the markets where it conducts business. This includes adherence to customs and import regulations, export controls, economic sanctions, and anti-boycott regulations as mandated by relevant authorities in each jurisdiction.

All employees are expected to uphold Lenovo's Code and Global Trade Compliance Policy, which define the requirements for maintaining compliance with these laws and regulations. Lenovo also requires its business partners to comply with applicable global trade laws and regulations pursuant to its Partner Code of Conduct.

Additionally, Lenovo is Customs-Trade Partnership Against Terrorism (CTPAT) certified and a member of the CTPAT Trade Compliance program, demonstrating Lenovo's commitment to supply chain security and regulatory compliance.

Intellectual property

Intellectual property is a valuable asset for Lenovo. Lenovo expects its employees to protect its intellectual property and respect the intellectual property rights of other companies and individuals. Intellectual property rights include patents, copyrights, trademarks, confidential information, and related contract rights.

Lenovo secures its own intellectual property using these and other applicable forms of legal protection. Therefore, Lenovo's employees must each sign and abide by their agreement with Lenovo regarding confidential information and intellectual property. Lenovo also expects its employees to contribute to Lenovo's innovation leadership. To this end, Lenovo's employees should submit their inventions and ideas to Lenovo's patent review board for prompt review and protection with the support of the Intellectual Property Law Department.

Lenovo respects the intellectual property rights of other companies and individuals, including their proprietary materials, confidential information, software, patents, trademarks, or trade secrets. Employees should work with Lenovo's counsel in the Legal Department as appropriate to ensure all necessary rights and licenses are obtained before utilizing any non-Lenovo proprietary materials.

Privacy and data protection

Lenovo maintains a Global Privacy and Data Protection Program, which leads the organization's commitment to responsibly using and protecting customer, consumer, employee, and partner identifiable information. The Lenovo Global Privacy and Data Protection Program develops and maintains policies, processes, training, and other mechanisms and resources to ensure that Lenovo complies with global privacy and related data protection laws and regulations. These policies and Lenovo's commitments in this area are communicated to all employees via the Lenovo Privacy Basics course which new employees are required to take within 30 days of their employment with Lenovo, and on a recurring basis thereafter. It is the individual and collective responsibility of Lenovo's employees and contractors to act in accordance with the requirements of Lenovo's privacy and security policies and standards and to report privacy and security incidents or vulnerabilities in a timely manner. The Lenovo Global Privacy and Data Protection Program, Chief Security Office, Chief Infrastructure Security Office, and Lenovo's product security teams maintain incident reporting mechanisms and work together to investigate, mitigate, and prevent privacy and security incidents that could impact Lenovo, its customers, users, or employees.

Individuals may learn more about Lenovo's product and website privacy practices by visiting https://www.lenovo.com/us/en/privacy/. The Lenovo Privacy and Data Protection Program may be reached at privacy@lenovo.com (or privacy@motorola.com).

Lenovo recognizes the great importance of privacy to individuals everywhere – customers, website visitors, product users, employees – everyone. The responsible use and protection of personal and other information under Lenovo's care is a core company value. To ensure adherence to its privacy policies, principles, and processes, Lenovo maintains a global Privacy and Data Protection Program led by the Legal Department. The Privacy & Data Protection Program reports its progress regularly to Lenovo's Chief Legal & Corporate Responsibility Officer and Chief Security Officer. In addition, the Privacy & Data Protection Program coordinates a cross-functional Privacy Working Group (PWG) comprised of key partners drawn from Infrastructure Security, Product Security, Product Development, Marketing, E-Commerce, Service and Repair, Human Resources, and other groups. The PWG meets several times per year and discusses Lenovo's privacy policies, processes, legal developments, industry developments, and more. Key elements of Lenovo's approach to ensuring meaningful privacy and data protection include:

- Monitoring global privacy and data protection legal developments and regulatory trends, and improving Lenovo's privacy practices and processes
- Harmonizing global privacy and data protection requirements into an organization-wide set of Lenovo Guiding Privacy Principles that drive how Lenovo handles personal information and certain other types of data, including developing and updating its privacy policies and procedures
- Providing contractual support to ensure that risks associated with supplier and partner agreements include appropriate privacy and security terms; including assistance to the Lenovo Legal Center of Excellence (COE) in its efforts to update contract templates, and improve privacy and security-focused contract addenda
- Providing early input to product and service development teams by incorporating privacy checkpoints into formal product development plans, including privacy impact assessments, and conducting pre-launch privacy compliance reviews of products, software, services, websites, marketing programs, internal systems, and supplier relationships
- Responding to requests from individuals to review, correct, amend and/or delete their personal information
- Coordinating Lenovo's response to law enforcement and other government requests for applicable personal and user information
- Developing and delivering privacy and data protection-focused training programs and working closely with the Chief Security Office (CSO), Corporate Infrastructure Security Office (CISO), and product security teams to timely identify and respond to privacy and data protection incidents
- Maintaining an internal Privacy Program portal and other resources for employees to provide guidance, documents, contract templates, compliance checklists, and additional privacy and data protection resources for Lenovo
- Requiring all computer-based employees globally to complete the Lenovo's Privacy Basics and Security Essentials courses.

Ethical management of responsible Artificial Intelligence

Lenovo embraces Artificial Intelligence ("AI") across its product lines, from client to edge to cloud and network. Throughout the computing ecosystem, breakthroughs in Large Language Models and AI generated content mark a major leap in AI development and capability and serve as catalysts and accelerators to boost the adoption of AI.

Lenovo is making large investments in people and resources for AI that will focus on providing AI devices, AI-ready and AI-optimized computing infrastructure, and embedded AI capabilities in intelligent solutions to accelerate productivity and provide new, revolutionary experiences to Lenovo's customers.

In FY 2023/24, Lenovo announced its vision of "Smarter AI for All" and is focused on unleashing the power of AI to drive intelligent transformation in every aspect of people's lives and in every industry – providing technology, solutions, and services that empower industries, enterprises, and individuals around the world. With this ability to empower and influence positive change, arises a profound duty to develop, deploy, and use AI responsibly.

Lenovo has formally adopted Corporate Policy on Artificial Intelligence and reinforces its commitment to responsible AI by upholding the following principles and guidelines:

1. Lenovo will not use AI in ways that harm people or put them or their rights at risk.
    - Lenovo prohibits AI systems that deploy subliminal or manipulative techniques, exploit a person's vulnerabilities, classify people based on their social behavior, socio-economic status, or sensitive personal information, and more.
    - AI systems that pose a risk to a person's health, safety, and civil rights will be carefully evaluated and implemented with additional risk mitigation.
2. Lenovo will ensure that its AI is fair, transparent, explainable, and efficient.
    - Lenovo encourages responsible stewardship of trustworthy AI systems in pursuit of beneficial outcomes for individuals whose data is processed by an AI system user, society, and the environment.
    - Responsible AI pillars will serve as the basis for evaluating AI systems throughout Lenovo, including diversity and inclusion, accountability, reliability, explainability, transparency, environmental, and social impact.
3. Lenovo will ensure that there is proper human oversight throughout the lifecycle of an AI system.
    - Lenovo firmly believes in the indispensable role of human oversight in the development and use of AI. It recognizes that AI systems, while powerful and transformative, remain tools to be used in support of human endeavor and must be guided by human judgment and ethical considerations.
    - Lenovo establishes mechanisms for human intervention to ensure proper oversight, validity of AI outcomes, detection of potential biases, and human intervention when necessary to detect and rectify biases, errors, or unintended consequences.
    - By ensuring proper human oversight, Lenovo strives to instill trust, accountability, and fairness in our AI systems, empowering us to make informed decisions that benefit its customers, users, employees, and society as a whole.
4. Lenovo will protect people's privacy at all stages of the AI Lifecycle.
    - AI systems will collect and retain data from individuals only where there is a legitimate purpose, and then only to the minimum extent needed to fulfill that purpose.
    - AI systems will be designed to help users comply with privacy requirements, including providing to subjects the reasonable ability to review, correct, amend, or delete their personal data processed by an AI system.
5. Lenovo's AI will be developed and used with robust security protections.
    - Technical robustness and safety require that AI systems preemptively address risks including, but not limited to, the unpredictability of AI performance and cybersecurity.
    - Lenovo will establish standards to be used in the review, development, and operation of AI systems to ensure they are safe and reliable.
6. Lenovo will ensure that its AI respects and protects its own and others' confidential information and intellectual property.
    - Intellectual property concerns arise at all phases of AI development and use, including data selection and acquisition, model training and development, and operations and output.

- Lenovo will own or have permission to use all data it uses to train or operate AI systems and ensure that its AI systems are not given inappropriate information or prompts including:

  (1) third-party information in Lenovo's control not authorized for such use,

  (2) Lenovo's confidential or restricted information, if the AI system is not approved for such use,

  (3) personal information of Lenovo employees, customers, or others who have not explicitly consented to such use, or

  (4) prompts or directions that would tend to create problematic, biased, or infringing results.

7. Lenovo's AI will be developed and used in strict compliance with applicable laws and regulations.

   - Lenovo is dedicated to the highest standards of legal compliance in all of our worldwide operations and complies with applicable laws and regulations in the jurisdictions where we conduct business.

   - As a result of the enactment of China's regulations concerning AI, Lenovo established a comprehensive compliance committee consisting of various internal stakeholders to ensure Lenovo is following regulatory compliance requirements and industry-leading best practices.

   - Globally, Lenovo continues to monitor the AI regulatory environment and is unwavering in its commitment to developing, deploying, and utilizing AI in accordance with regulatory standards and industry-leading best practices.

In addition to these principles, Lenovo is further solidifying its dedication to responsible AI by expanding its external presence through partnerships with esteemed organizations dedicated to promoting responsible AI practices. Lenovo joined the European Commission's AI Pact, the UNESCO AI Business Council, and the Government of Canada's Voluntary Code of Conduct on AI to highlight its steadfast commitment to responsible AI innovation and deployment of trustworthy AI systems aligned with global safety and ethical standards. Lenovo collaborates with institutions and governments to exchange experiences and share best practices to build ethical and responsible artificial intelligence. Lenovo is also the co-founder of the Human-Centric Intelligence Development and Governance Initiative in China, an initiative focusing on prioritizing human needs, values, and social impact in the development of AI systems. Additionally, since 2021, Lenovo has been a signatory of the Cercle InterL Women & AI Charter for accountable and gender-fair AI systems.

Lenovo recognizes that the realization of its vision of "Smarter AI for All" hinges upon its steadfast adherence to principles that guarantee the responsible, ethical, and safe development, deployment, and utilization of AI. The principles outlined above not only underpin Lenovo's vision, but also form the cornerstone of Lenovo's mission to provide "Smarter Technology for All."

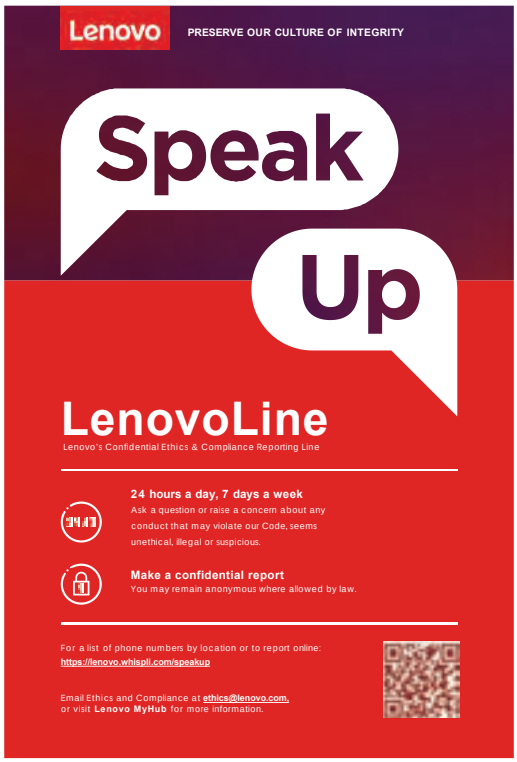
Reporting ethical concerns

Lenovo is committed to fostering a speak up culture, where employees, contractors, and business partners are empowered to speak up on anything that appears unethical, illegal, or suspicious. Lenovo has established clear processes and various reporting channels to raise questions or report concerns.

Employees are encouraged to raise concerns to their managers, Human Resources, the ECO, Internal Audit, or the Legal Department about any potential issues including, but not limited to, those known about or suspected:

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

Lenovo also provides formal, confidential ways to report concerns, ask questions, or request guidance in person, by email, or through the LenovoLine, a confidential reporting system that is accessible 24 hours a day, seven days a week by secure website, mobile app or by telephone. Where allowed by law, employees may report concerns about business practices anonymously.



Employees are encouraged to use the LenovoLine, Lenovo's confidential ethics and compliance reporting line, to raise concerns or questions. The LenovoLine is also accessible by scanning the QR code.

Lenovo takes all allegations and concerns seriously. Lenovo maintains a Whistleblowing and Investigations Policy outlining the process by which concerns can be raised, are reviewed and are investigated. Lenovo also has an oversight body, the Investigation Oversight Committee (IOC), to ensure concerns raised are appropriately investigated and addressed. See Section 7.0 for related data.

Lenovo actively issues training and periodic communications to provide employees with information on Lenovo's internal investigations process and to encourage them to speak up without the fear of retaliation. Lenovo prohibits retaliation for reports made in good faith. In FY 2024/25, training on Lenovo's Corporate Policy on Whistleblowing and Investigations was integrated into Lenovo's mandatory eLearning Code training. Additional communications include detailed information about the LenovoLine, quarterly notifications from the IOC with summaries of notable investigations with no identifying details, computer screen lock messaging, posters, and more.

Additionally, Lenovo's whistleblowing and hotline provider, Whispli, offers an enhanced platform to facilitate the reporting of concerns. Key features of the platform include the ability to submit reports via a mobile application (available on iOS and Android), real-time translation into the reporter's local language for seamless communication with investigators, and a secure chat box feature. The secure chat box functionality enables anonymous reporters to engage in ongoing communication with Lenovo's investigators without compromising their anonymity.

Complaints

Lenovo is dedicated to reviewing and responding to all customer feedback, including product or service-related complaints. It has a robust process for managing customer complaints. Practices include a review and approval process for all product or service-related complaints with checkpoints to ensure adherence to the process.

Complaint channels

Customers can raise dissatisfaction or complaints through a diverse range of channels that includes, but is not limited to phone calls, chat, email, social media (Facebook, Instagram, X, LinkedIn), an internal escalation tool when shared with a Lenovo Employee, and the Lenovo Support Page.

Complaint process

Complaints are collected by various internal systems and centralized on Microsoft Dynamics Customer Relationship Management (CRM). The dedicated Customer Care team will manage the case end-to-end and engage with the customer to find a resolution to their complaint. The Customer Care team will:

- Investigate the background of the complaint to understand the customer's experience better thus far;
- Identify potential solutions for the customer and communicate with the customer to gain agreement on a solution;
- Implement the agreed-upon solution.

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

- Explain Lenovo's warranty policy;
- Repair the product if it is not working per the machine specifications;
- Replace the product if the repair does not resolve the problem;
- Refund the customer.

Once the case is escalated to the Customer Care team, the global average time for resolution and agreement with the customer is usually 48 hours.

To maintain a consistent process and continuously identify improvements to the policies, by the end of the case management, Customer Care team will launch a survey to customers looking to understand:

- Likelihood of recommending Lenovo to others in the future
- Overall satisfaction with the service provided
- Gauge how easy it is to do business with Lenovo
- Resolution satisfaction
- Resolution time

Enterprise feedback management

The Customer Care team executes a closed-loop process with customers and internal stakeholders to improve Lenovo's processes and policies. The process includes the use of generative AI tools and manual validation to compile and categorize the reasons for escalation and customer feedback and sharing the findings and recommendations with the services delivery teams. The opportunities identified and the actions for continuous improvement are shared with the company executives on a quarterly basis.

The Customer Care team also evaluates the survey responses and areas to improve while managing critical and dissatisfied customers. Those areas include, but not limited to:

- Timeliness of response
- Friendliness
- Knowledge of Lenovo's processes and policies
- Overall satisfaction
- Satisfaction resolution

This closed-loop process is defined by the geographies and internal stakeholders and may vary in the markets where Lenovo operates.

Product quality management

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

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

Cross-organizational quality assurance

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

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

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

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

In very rare instances, Lenovo may recall a product due to safety or health reasons. Under these circumstances, Lenovo strictly follows the corporate guidelines and engages with the appropriate government regulatory agencies to provide customers with a remedy for the recalled product. Every product recall is a unique situation, but are evaluated and managed by Lenovo using a common framework. First, data collection and analysis are performed, followed by the creation of an Issue Management Team. Next, the applicable government agencies are engaged, followed by public notification of any action. Finally, the recall remedy is managed, tracked, and reported back to the government agencies.

In FY 2024/25, Lenovo did not issue any product recalls. Additional information related to recalls from previous years can be viewed at www.lenovo.com/recalls.

In FY 2024/25, Lenovo did not experience any material incidents of non-compliance (assessed using Lenovo's ERM framework) resulting in fines from regulations and/or voluntary codes concerning product and service information and labeling.

Lenovo applies all compulsory environmental and regulatory labels, marks, and statements to its products for all markets where its products are marketed and sold. Lenovo also utilizes internal standards and processes to ensure the correct, country-specific and region information is applied prior to its products being sold. Employees engaged in advertising activities, like all of Lenovo's employees, are governed by Lenovo's Code of Conduct.

Innovation

Innovating for manufacturing sustainability

In FY 2024/25, Lenovo continued to use an ESG management system called Lenovo ESG Navigator that helps monitor key ESG metrics in manufacturing. The innovative system offers near real-time insights on greenhouse gas emissions and energy use, replacing traditional manual management of ESG metrics with a flexible, transparent, and highly automated approach that captures data across the value chain from a single point of control, enabling more data-informed decisions in areas impacting sustainability performance.

Innovating to help customers meet sustainability goals

Lenovo is focused on providing products and services that help contribute to customers' sustainability goals and a smarter future for all.

Through focused initiatives at the product, packaging, and service level, Lenovo is innovating to improve the sustainability features of products and empower customers with options to consider sustainability through services.

In 2024, Lenovo harnessed the power of AI through Lenovo Intelligent Sustainability Solutions Advisor (LISSA) solution, helping customers understand their estimated emissions impact across their IT lifecycle. Through Generative AI, LISSA offers visibility into the estimated carbon emissions associated with various Lenovo sustainability solutions that could be deployed, simulating multiple solution pathways and identifying potential emissions reduction opportunities to support the customer's IT decarbonization goals in the digital workplace.

Product and packaging innovations that focus on carbon impact

The latest generation of Lenovo Neptune™ liquid cooling technology is delivered in a broader range of ThinkSystem servers than prior generations, making its sustainability benefits available to more of Lenovo's customers. 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.

In addition to product innovations in its servers, Lenovo takes a holistic look at customer experience and sustainability goals by improving packaging design across product offerings. Lenovo designs select PC and smartphone packaging for them to be made from more sustainable materials like bamboo and sugar cane.

Empowering customers with more sustainable choices

Lenovo provides IT life cycle solutions such as Asset Recovery Services, CO2 offsetting capabilities, Reduced Carbon Transport options, and certified refurbished equipment. All of Lenovo's products are offered as-a-service, a delivery model which can help optimize IT asset sustainability.

- TruScale Everything-as-a-Service: Circular Economy is all about designing out waste from the value chain. TruScale 'as a Service' offerings optimize the process by leaving each stage of a product's cycle in the hands of qualified professionals so a customer can focus on their productivity priorities. TruScale inserts predictability into lifecycle management, enabling companies to plan and help maximize the reuse or recovery of their technology.
- Asset Recovery Service: This service helps mitigate the environmental and data security risks associated with end-of-life asset disposal while aiming to maximize the value potential of those assets, with the main goal to reutilize, recover, and in the end, recycle resources.
- Reduced Carbon Transport: This solution empowers Lenovo's customers with transportation alternatives for IT purchases that generate lower carbon emissions, such as those that allow the purchase of Sustainable Aviation Fuel credits.

Innovative solutions for a circular economy

Lenovo's vision to deliver 'Smarter Technology for All' extends to its practices that include Smarter Circular Design, Smarter Circular Use, and Smarter Circular Return activities. In a circular economy, products are made, used, then returned, instead of being discarded and consigned to waste. In this model, value is extracted from a resource while in use. Then, at the end of its service life, the resource is recovered, refurbished, and redeployed. This drives greater resource productivity, aims to make businesses more competitive, and helps create new opportunities for growth. The demand for a more circular economy has given rise to the 'as a service' or usage models seen across many industries in which the users pay for only what they need when they need it, and return the assets or resources when they are finished.

Lenovo provides innovative solutions for its customers' business needs that help reduce the volume of end-of-life electronic products that may otherwise, be discarded or consigned to waste. These solutions include:

- Services that help keep products operating longer;
- Services that help make infrastructure management easier;
- Solutions to manage its customers' products at the end of life to help maximize value and reuse opportunities.

To help scale circular economy solutions in the IT industry, Lenovo has established a target to enable the recycling and reuse of 800 million pounds of end-of-life products by FY 2025/26+. For more information see Section 9.0.

+ *Cumulative total since 2005.*

Governance highlights

Stakeholder engagement: Lenovo 360 Circle

Lenovo 360 Circle was established in 2021 as a community to increase collaboration and a mechanism for Lenovo to enhance its relationships with channel partners. The initiative also serves as a platform for partners to come together for collective learning opportunities and to collectively tackle key sustainability issues.

Partners are connected with a set of resources that are tailored to their specific needs – from assessment tools and customized curriculums, to access to subject matter experts, community events and webinars.

Lenovo envisions the Lenovo 360 Circle not only as a strategic advantage, but also as a way to help expedite the shift to more sustainable business practices and models. As a community, the Lenovo 360 Circle addresses sustainability as a new business driver, while unlocking new business opportunities and aligning on common ESG goals.

The Lenovo 360 Circle Summit

The Lenovo 360 Circle Summit is an annual global event with the core idea of encouraging collective sustainability action through the community. The first summit in June 2024 had three main themes. First, 'Accelerating the Shift Towards a Circular Economy' explored opportunities and challenges in adopting circular economy practices. 'Enhancing ESG Data Transparency, Accessibility, and Reliability' centered on leveraging digitalization, addressing standardization gaps, and developing strategies for effective Scope 3 emissions inventory management and energy efficiency measurement. Lastly, 'Embracing a Responsible Ecosystem and Sustainability Leadership' covered topics including value chain resilience, integrating sustainability into boards, prioritizing human rights, D&I, and quantifying sustainability efforts for business performance and competitive advantage.

The Lenovo 360 Circle Awards Program

The Summit also included the first ceremony that recognized and honored organizations that have demonstrated exemplary leadership and innovation in sustainability practices within the channel and beyond, awards included:

- Outstanding partner excellence
- Best social impact initiative
- Outstanding sustainability collaboration spirit
- Most improved sustainability partner
- Outstanding climate action

The Lenovo 360 Circle priorities as of FY 2024/25

- Sustainability leadership focuses on quantifying sustainability performance, upskilling and reskilling through learning and development, fostering a responsible ecosystem, and driving system-wide change.
- ESG data management aims to meet the growing demands for ESG data and explore solutions to address key sustainability metrics both at product attributes levels and at company level.
- Circular economy is about strategies for accelerating the transition to a circular economy, exploring solutions to minimize waste, optimize resource use, and redesign systems for sustainability.
- The Social Council, a focus group a part of the Lenovo 360 Circle, aims to leverage successful methodologies and develop collaborative initiatives to enhance positive social impacts and accelerate progress in inclusion.

The Lenovo 360 Circle Advisory Board

An advisory board was created to support the Lenovo 360 Circle and to operationalize key initiatives that will demonstrate that a value chain approach to sustainability can help effectively release value for all stakeholders.

GHG Emissions and Strategy Community Benchmarking program

In collaboration with ClimateChoice, Lenovo introduced this program to help empower partners to evaluate, enhance, and accelerate their climate action.

Lenovo achieved Gold rating, with the entire community achieving a Silver-equivalent rating, showing the collective impact and alignment towards sustainability goals. See more details on Lenovo StoryHub.

The Lenovo 360 Circle learning and development approach

The Lenovo 360 Sustainability Learning Path offers four learning paths, comprise of 14 courses and 65 modules, to provide essential sustainability knowledge and skills, from sustainability essentials, understanding Lenovo's ESG approach and skills to embedding sustainability within the channel partners' business practices.

Embracing tomorrow: Mapping out the year ahead for Lenovo 360 Circle

Focus for the next year will be to drive collective impact via:

- Community expansion and expertise growth
- Enhanced ESG data and performance management
- Innovation and co-creation for sustainable solutions

See Lenovo StoryHub for more details and Section 7.0 for Lenovo 360 Circle data.

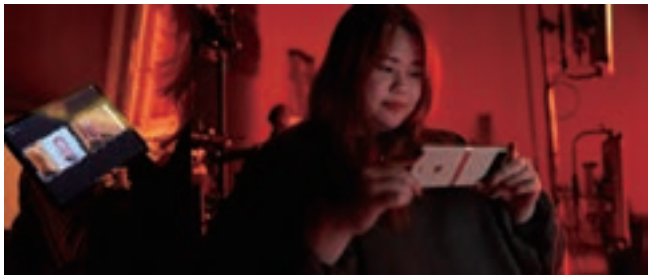
Advocating for mental well-being through smarter technology and AI

"Work For Humankind" is Lenovo's multi-year initiative that aims to show how smarter technology can bring people together for good. It helps raise awareness of and advance change with major societal issues around the world. According to a Lenovo study, two-thirds of Gen Z feel a disconnect between their online and offline selves, fueling feelings of loneliness and anxiety, while almost half find it easier to express themselves online but 60 percent wish to have difficult conversations with family and loved ones in real life. That is why in May 2024, Lenovo launched "Meet Your Digital Self," a new chapter of its Work For Humankind program, leveraging smarter technology and AI to advocate for mental well-being among Gen Z. With innovative AI and its portfolio of smarter devices and solutions, Lenovo brought two individuals' digital personas to life as interactive, 3D avatars, capable of having real conversations with loved ones. By creating AI avatars to facilitate impactful open and honest conversations between generations, Lenovo showed how technology could positively impact mental well-being, fostering deeper connections and helping people feel less alone.

The objectives of the campaign were:

1 Showcase how smarter technology and AI could be used for good and for all.
2 Encourage open conversations around mental well-being among Gen Z and across generations.
3 Expand accessible mental health support through technology and NGO partnerships.

To build the AI avatars, Lenovo employed its full technology portfolio– Lenovo ThinkStation™ workstations; ThinkCentre™ desktop computers; Lenovo Legion™, ThinkBook™ and Yoga™ laptops; Lenovo tablets; ThinkVision™ monitors and accessories; motorola razr smartphones; ThinkEdge™ SE450 Edge Server; AI Professional Services and Lenovo | Dropbox Cloud Storage.



A 200-camera system captured each participant's physical likeness, while machine learning synthesized data from social media, personal insights, and interviews to model their personalities. The results are lifelike avatars that looked, sounded, and acted like the participants, enabling genuine, unscripted interactions with loved ones.

Through these avatars, Oscar Jackson-Walsh, a non-binary participant from the UK–whose online identity is Spider–helped their grandmother better understand their gender identity. Similarly, Chinatsu Hoashi from Japan shared her journey of self-acceptance as a plus size model with her mother, opening an avenue of communication that would bring them closer together.

Partnerships and expanded access

To expand mental health support and resources for people in need, Lenovo partnered with several organizations, such as Shout, a free, confidential, 24/7 text messaging service based in the UK; Crisis Text Line, a non-profit organization that provides free, 24/7 confidential text-based mental health support in both English and Spanish for anyone in the US and Puerto Rico; and Anata no Ibasho, in Japan. These organizations train real people who are then supervised by mental health professional staff, offering support to millions in need.

Key outcomes

- Enhanced engagement: The project's films were viewed over 30 million times on social media, fostering mental well-being discussions among Gen Z.
- Increased NGO support: Lenovo's partnership with Shout drove an increase in daily traffic of more than 58 percent and more than 800 additional inbound texts, reflecting heightened engagement with mental health resources.
- Promoted understanding: By featuring Oscar's and Chinatsu's stories, Lenovo underscored its D&I commitment, and fostered empathy across generations and cultures.

"Meet Your Digital Self" highlighted Lenovo's commitment to using smarter technology and AI for good and for all. The initiative promoted mental well-being, inclusivity, and cross-generational understanding while advancing Lenovo's ESG priorities. By engaging Gen Z, fostering open conversations, and partnering with mental health organizations, Lenovo demonstrated the innovative and responsible use of technology and AI to create empathetic and inclusive communities.

6.0 Global supply chain

6.0 Global supply chain

Supply chain ESG practices

As a global business offering a variety of products and services in 180 markets around the world, Lenovo manages a diverse and dynamic supply chain. Lenovo's supply base is comprised of the following categories: internal manufacturing centers, production procurement, original design manufacturers (ODM), and general procurement. Production procurement includes all suppliers that provide materials or components that become part of Lenovo's products. ODMs include manufacturing partners who manufacture products on behalf of Lenovo. General procurement includes all suppliers that provide materials and products which support Lenovo's operations but do not become part of its products.

Lenovo's supply base is comprised of multiple tiers in which lower tiers of suppliers provide materials and parts to higher tiers – and eventually to its Tier 1 suppliers, the suppliers with whom Lenovo has a direct contractual relationship.

The disclosures in Section 6.0 apply to Lenovo's production procurement supplier base unless noted otherwise. The majority of Lenovo's spend is with production procurement suppliers which often have ESG impacts and risks. Production procurement suppliers may pose social risks due to their reliance on significant labor forces, often drawing from extensive pools of lower-skilled workers who may be vulnerable to exploitation. Production procurement suppliers typically contribute to environmental impacts, encompassing factors such as energy, water, and materials required for production. The distribution of suppliers is restricted to production procurement suppliers, given their notable ESG risk profile. See Section 7.0 for supplier distribution data.

ESG in the supply chain

Lenovo is committed to sound ESG management across its end-to-end supply chain process. It has ESG-specific systems in place, supported by contractual requirements to help ensure that suppliers meet or exceed applicable labor, environmental, health and safety, and ethics standards. The practices disclosed in Section 6.0 align with Lenovo's ESG-related internal corporate policies including:

- Lenovo's environmental commitments which are codified in its Environmental Affairs Policy, Climate and Energy Policy, and Water Resiliency Policy, and
- Lenovo's human rights commitments which are codified through its Human Rights Policy and further explained in its Anti-Slavery and Human Trafficking Statement.

Commitments that apply to its supply chain are extended to suppliers through its Supplier Code of Conduct.

Lenovo considers the supply chain a vital part of its operations and views effective supply chain management as an important contributor to its success. Given this, Lenovo has implemented a robust set of controls and programs to manage its overall procurement process.

Additionally, Lenovo recognizes that ESG risks and impacts exist among its suppliers which may differ from the ESG impacts and risks associated with Lenovo's own operations. Lenovo implemented various practices to identify environmental and social risks along the supply chain and continue to monitor those efforts such as surveying new suppliers, performing ongoing supplier audits and assessments, and integrating several ESG-specific controls and practices into its Master Procurement Process.

Lenovo's risk identification, practices, their implementation and monitoring are detailed throughout this section.

Master Procurement Process

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

- **Delegation of authority**

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

- **Supplier selection**

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

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

- **New supplier validation**

  New suppliers are assessed for numerous capabilities including their operational aspects, financial stability, product or information security, and ESG performance. This assessment is facilitated through a supplier onboarding tool. More specifically, all new production procurement suppliers are assessed on their sustainability policies, codes of conduct, ISO certifications, ESG standards, environmental impact aspects, controls to prevent forced labor, and public reporting. Of particular concern are suppliers that may be listed as restricted or denied parties identified by governments and/or international agencies. Lenovo's policy and formal practice is that under no circumstances shall Lenovo's personnel purchase, sell, or ship any product contrary to applicable export laws or to any individual or firm appearing in any relevant government list of any party who has been denied export or import privileges.

  See "Global supply chain ESG data" in Section 7.0 for related procurement suppliers assessment data.

- **Contract management**

  Supplier relationships are best managed when there are clear stipulations of responsibilities, deliverables, and relevant terms and conditions. Lenovo's supplier contracts incorporate legal and operational agreements and address various types of engagement. Additionally, all suppliers must comply with Lenovo's Supplier Code of Conduct, in which they are required to comply with the latest version of Responsible Business Alliance (RBA) Code of Conduct as well.

  There are multiple code elements and requirements under the Supplier Code of Conduct relating to environmental, labor, and human rights matters. Instead of asking suppliers to sign separate Supplier Code of Conduct contract one by one, their compliance with the comprehensive Supplier Code of Conduct is executed via Lenovo's standard purchase agreements or standard purchase orders. To ensure all target agreements include clauses on the Supplier Code of Conduct, continuous monitoring is in place including the accessibility check of related links. Lenovo's Supplier Code of Conduct and the RBA Code of Conduct strictly prohibit bribery and corruption. The RBA assessment protocol also includes consideration of anti-bribery and anti-corruption.

- **Supplier performance evaluation**

  Supplier performance evaluation is utilized to provide timely feedback to suppliers to improve performance, to move business volume to best suppliers, and to reduce or eliminate business with poor performing suppliers. Performance management includes key criteria such as cost, quality, supply, technology, service and ESG as deemed appropriate.

  In addition, Lenovo has implemented practices used to promote environmentally preferable products and services when selecting suppliers, including validating new suppliers and evaluating suppliers based on ESG considerations. Ongoing monitoring of supplier management efforts include audits of suppliers' relevant ESG performance and third party ESG ratings. The Master Procurement Process continues to recommend ESG as a criterion in supplier selection.

Internal training

To ensure those with delegated authority are informed on ESG best practices, Lenovo conducts comprehensive communication and education activities throughout the year for its global supply chain team. In FY 2024/25, Lenovo enhanced the global supply chain ESG education program by holding live training sessions and online courses in multiple ESG topics to help the procurement team build on knowledge and skills. The training sessions and courses focus on ESG topics including:

- Global Supply Chain ESG Overall
- Supplier Code of Conduct
- Source Right
- RBA Compliance Program
- EcoVadis Program
- Responsible Sourcing of Raw Materials Annual Survey
- Environmental Impact
- Labor Compliance

In addition, Lenovo provides compulsory ESG courses and required a 100 percent completion rate with the production procurement team.

Performance monitoring and assessment

Support of RBA programs and Validated Assessment Program (VAP)

As a member of the Responsible Business Alliance (RBA), Lenovo requires suppliers to adhere to the RBA Code of Conduct. Lenovo uses RBA Validated Assessment Program, previously Validated Audit Process, as a key mechanism for risk identification and sustainable performance evaluation.

Regardless of their self-assessment risk level, Lenovo expects production procurement suppliers to conduct on-site assessments. In FY 2024/25, approximately 95 percent of suppliers by spend have conducted an RBA VAP assessment or an equivalent independent, third-party assessment (non-VAP assessment) by RBA-approved auditors. RBA assessments (including both VAP and non-VAP assessments) are conducted at least every two years to evaluate social and environmental responsibility performance, involving the systematic examination of policies, procedures, documentations, and other elements of the supplier's risk management programs.

During the assessments, RBA certified auditors stay for two to five days at the supplier's premises to review employee contracts (direct and through external agencies), employee age requirements, timesheets, pay slips, environmental controls, and other documents. The auditors also conduct individual and group interviews with a random selection of employees and agency contractors regarding their rights at the facility, including freedom of association and collective bargaining among other topics. See "Global supply chain ESG data" in Section 7.0 for related suppliers' performance and RBA assessment scores.

The Corrective Action Plan (CAP) is a key process of continuous improvement, allowing Lenovo to verify that suppliers have taken concrete steps to remedy any issues. In the event of supplier non-conformance to ESG requirements, including those identified by RBA assessments, several actions may take place, which include:

- Immediate discontinuation of business for serious violations
- Tracking remediation and corrective actions implementation whenever possible
- Penalization of the supplier in the quarterly supplier report card score with a sustainability multiplier
- Senior procurement management engagement with the supplier
- Executive company management engagement with the supplier

Responding to RBA assessment labor-related results

In FY 2024/25, there were no violations reported related to forced labor or child labor by Lenovo's suppliers who completed the RBA VAP assessments. See "Global supply chain ESG data" in Section 7.0 for related suppliers' RBA labor-related assessment results including the number of suppliers with major labor findings. The most common supplier assessment findings were related to industry-wide problems of excessive working hours and insufficient time off for their employees. To address this, Lenovo requires its outsourced manufacturers to report their employees' working hours, time off performance, and the number of vulnerable workers* monthly via an online tool so that it can take action to resolve identified issues. Agreements for improvement were reached with suppliers, as a result, no relationships were terminated due to aforementioned labor findings. Lenovo follows applicable policies and complies with relevant laws and regulations relating to working hours and rest periods.

* *Vulnerable workers refer to young workers, student workers, migrant workers, dispatch workers, and foreign workers.*

Support of RBA VAP and Factory of Choice (FoC) Recognition programs

Lenovo periodically reviews and raises expectations of suppliers' ESG performance. Lenovo started an effort to require its production procurement suppliers to commit to achieving RBA VAP Recognition and Factory of Choice (FoC) designations to demonstrate leadership in ESG in FY 2020/21. This requires significantly higher VAP assessment scores with all Priority findings closed, site personnel to be formally trained on the RBA VAP process, and proof of functional grievance systems. See "Global supply chain ESG data" in Section 7.0 for related data. It is Lenovo's goal that 25% of its suppliers by spending achieve FoC recognition by FY 2026/27.

EcoVadis

In FY 2024/25, Lenovo continued to expand the scope of ESG assessments from key Tier 1 suppliers to strategic Tier N and non-production procurement suppliers with the EcoVadis platform.

The EcoVadis platform aims to enable a large base of suppliers to assess and manage ESG risks. Lenovo has implemented the EcoVadis IQ tool to screen suppliers' overall ESG risk, based on their inherent sustainability risks and procurement information. In FY 2024/25, over 2,300 production and non-production procurement suppliers were processed through the EcoVadis IQ tool, those assessed as high risk are further screened to help Lenovo ESG team decide whether the suppliers need to be invited to conduct an EcoVadis ESG assessment.

Lenovo continues to ensure that all strategically important suppliers participate in the EcoVadis ESG assessment and achieve at least 45 of 100 points or a comparable audit result. Suppliers scoring less than 45 must implement a CAP and the findings are expected to be closed within 90 days. Suppliers can leverage EcoVadis online training resources to facilitate better understanding of the assessment process and improvement areas that they can prioritize.

The 360 Watch feature of the EcoVadis platform is another monitoring measure taken to minimize the risk of child and forced labor, and other ESG risks. Negative media coverage in these areas related to a supplier will be highlighted to Lenovo's management, requiring the supplier to respond within one week and develop a CAP. The 360 Watch, in addition to other indicators, enables Lenovo to monitor and assess its suppliers on a timely basis across a range of ESG focus areas, helping it to continually improve the supply base.

Responsible sourcing of materials

Lenovo expects its supply chain to procure raw materials responsibly and to particularly avoid sources that directly or indirectly fund conflict. This may include the conflict minerals of tin, tantalum, tungsten and gold (3TG), and cobalt from the Conflict-Affected and High-Risk Areas (CAHRA), especially covered countries. As a member of the RBA Responsible Minerals Initiative (RMI), Lenovo is committed to ensuring that minerals used in the manufacturing of its products do not contribute to human rights abuses and other ethical sourcing issues, and mitigate environmental degradation, and requires its production procurement suppliers to do the same.

Lenovo has been operating the Responsible Sourcing of Raw Materials (RSRM) program for over a decade, aligning with the Organization for Economic Cooperation and Development (OECD) Due Diligence Guidelines for Responsible Sourcing Materials from Conflict-Affected and High-Risk Areas. Lenovo complies with the intentions of section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act to track, monitor and report annually on conflict minerals in supply chains.

Each year, Lenovo conducts the RSRM Survey in order to identify the smelters and refiners (SORs) in the upstream supply chain that processes minerals contained in the products supplied to the company. Due diligence of 3TG and cobalt sourcing is conducted using the RMI program's Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT).

During the 2024 survey cycle, Lenovo continued to proactively encourage upstream entities to report on extended minerals beyond 3TG and cobalt. By comparing the SOR list with the facilities who conform to RMI's Responsible Minerals Assurance Process (RMAP) or equivalent, Lenovo identifies potential risks and conducts supplier outreach to remove non-compliant smelters. The annual survey process in 2024 covered at least 95 percent overall procurement spend of its suppliers and the survey received 100 percent response rate. See "Lenovo Conflict Mineral Reports" for details on Lenovo's ESG Resources Page.

Lenovo also strives to mitigate risks through smelter outreach. By working closely with global stakeholders and organizations such as the RMI China Smelter Engagement Team (SET), Lenovo has been actively encouraging SORs to participate in RMAP. For more information, please visit Lenovo's Responsible Sourcing webpage.

Joint audits with Lenovo's PC and Smart Devices (PCSD) Quality Team

To drive more opportunities for improvement, the Global Supply Chain (GSC) ESG Team collaborates with Lenovo's PCSD Quality Team to conduct on-site audits in suppliers' facilities. Trained by the GSC ESG team, the PCSD Quality Team leads the audit using questionnaires and checklists developed by the GSC ESG Team in accordance with the RBA Code requirements, focusing on labor, health, and safety. This collaboration enables Lenovo to support an additional method to monitor suppliers' compliance with RBA.

Supplier ESG performance evaluation (ESG scorecards)

The following are Lenovo's practices for supplier ESG performance evaluation:

Suppliers are evaluated based on key indicators across RBA, environmental impact, responsible sourcing of raw materials, sustainability reporting, EcoVadis, and other ESG factors. Leveraging an advanced ESG digital platform, Lenovo has increased the visibility of ESG performance. Suppliers representing 99 percent of production procurement spending have been monitored. Lenovo is committed to expanding the coverage. This digital platform automatically sends ESG questionnaires to Lenovo's suppliers each quarter, requesting them to report on their latest sustainability initiatives. Upon receiving the completed questionnaires, the platform automatically calculates ESG scores based on preset scoring criteria, reflecting each supplier's ESG performance quarterly. This innovative approach not only streamlines the process of monitoring and evaluating Lenovo's suppliers' commitment to ESG standards but also promotes continuous improvement by providing timely feedback.

The ESG score is then applied as an overall penalty or credit multiplier across approximately 200 suppliers' quarterly comprehensive performance evaluation report cards that consider factors beyond ESG.

Recognizing suppliers

Based on a comprehensive evaluation of suppliers' ESG performance, Lenovo recognizes outstanding performers by presenting them with ESG awards. This incentive mechanism aims to foster continuous improvement in ESG standards among suppliers, reinforcing Lenovo's commitment to promoting ethical practices and environmental stewardship throughout the supply chain.

Environmental

Lenovo manages suppliers' environmental performance through requirements in the Supplier Code of Conduct, RBA assessments, CDP Supply Chain Program, and other programs that support its material environmental topics – specifically climate change, water, and waste. The environmental impact management pertains to production procurement and ODM suppliers.

Lenovo's corporate-wide environmental standards and specifications require its product designers to consider environmentally conscious design practices to facilitate and encourage recycling and minimization of resource consumption. Lenovo's priority is for its suppliers to use environmentally preferable materials whenever applicable. Compliance to the standard and specifications is monitored as part of the Product Compliance Review Board Process.

Environmental impacts disclosure in the supply chain

Lenovo strives to promote transparency and accountability by encouraging its suppliers to disclose their environmental impacts. Annually, Lenovo requests key suppliers to formally report environmental data related to climate change, water, and waste. Lenovo requests suppliers to report via CDP reporting methodologies and Lenovo ESG digital platform. Lenovo introduced CDP supply chain program into its supply chain carbon management in FY 2022/23, to help Tier 1 suppliers assess their climate change performance.

Climate change

Lenovo collects climate change related information such as Scope 1, Scope 2, and Scope 3 emissions, emission reduction goals, renewable energy usage and targets, and implementation of the ISO 50001:2018 Energy Management System.

Lenovo used the emissions data reported by suppliers to inform its Science Based Target (SBT) for Scope 3 emissions from the purchased goods and services category. Lenovo's target in this category is to reduce Scope 3 emissions from purchased goods and services by 66.5 percent per million US$ gross profit by FY 2029/30, from a FY 2018/19 baseline. Suppliers' data is evaluated on an annual basis to help ensure Lenovo's progress towards its goal is on track.

To achieve supply chain emissions reduction targets, in FY 2022/23, Lenovo kicked off the Supplier Emission Reduction program with key suppliers to push more actions around climate change in its supply chain. The program aims to work with suppliers along the climate action journey. For suppliers who have just started their journey, they are expected to participate in the CDP disclosure and report their emissions data. For suppliers who are more mature, Lenovo works with the suppliers to set emission reduction targets, procure renewable energy, and implement energy efficiency improvement projects. Also, Lenovo encourages suppliers to engage their own supply chain and share their experience and knowledge with the industry.

Lenovo's most recent supplier engagement efforts on climate change covered the top 98 percent of procurement spend. This effort identified the percentages of suppliers by spend which have public renewable energy goals, and are tracking and reporting renewable energy generation and purchases. See "Global supply chain ESG data" in Section 7.0 for details. In addition, Lenovo has been engaging and incentivizing its suppliers to also commit to the Science Based Targets initiative (SBTi). It is Lenovo's goal to achieve 95 percent of suppliers by procurement spend to implement SBTs. See "Global supply chain ESG data" in Section 7.0 for additional information on percentages of suppliers by spend and related energy and GHG emissions information.

Water

Lenovo surveys key suppliers on water-related data including performance indicators such as annual water withdrawal, water discharge, and water recycle or reuse volumes.

For the most recent supplier data collection period, Lenovo's coverage of engagement was 98 percent of procurement spend. Since one of the most straightforward indicators of impact (especially to water-stressed areas) is water withdrawal, Lenovo has been encouraging suppliers to set up water reduction targets since 2014. See "Global supply chain ESG data" in Section 7.0 for percentages of suppliers by spend with quantified water reduction goals.

Waste

The waste-related information collected from suppliers includes data such as annual hazardous and nonhazardous waste volumes.

Waste prevention is the most preferable option in the waste management hierarchy, and Lenovo encourages suppliers to set up public waste reduction targets. See "Global supply chain ESG data" in Section 7.0 for percentages of suppliers by spend with quantified waste reduction goals.

Social

Forced labor

Lenovo is committed to eradicating forced labor in all its forms including slavery and human trafficking at every stage of business operations. It holds a firm position that there is zero tolerance for forced labor and any documented instances will be met with immediate action, including discontinuing the business relationship with any suppliers that overlook this practice.

To better detect and mitigate the forced labor risks, Lenovo adopts and implements preventive measures, including:

- Engaged employment agencies as needed to submit RBA indirect Self-Assessment Questionnaires (SAQ)^
- Implemented a third-party ESG risk assessment tool (EcoVadis) to screen suppliers throughout the supply chain
- Provided training to buyers on preventing and mitigating forced labor, and potential red flags related to forced labor
- Provided training to suppliers on the topic of Labor Compliance Management
- Invested in a third-party supply chain risk management platform (Everstream Analytics)
- Conducted verification through RBA assessments and participated in regular RBA Responsible Labor Initiative

^ *RBA indirect SAQs are for service providers that are not directly involved in the manufacturing of an end product.*

In FY 2024/25, no violations related to forced labor were reported by Lenovo's suppliers who completed the RBA VAP assessments.

Child labor

Lenovo supports universal human rights including those identified in the United Nations Declaration on Human Rights and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. Lenovo commits to extending these rights to its employees and others directly or indirectly employed in its supply chain.

Child labor is not to be used in any stage of business operations. The term "child" refers to any person under the age of 15, under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is the highest. To support the human rights noted above, Lenovo implemented multiple guidelines and actions including, but not limited to:

- Human Rights Policy
- Employee Code of Conduct
- Supplier Code of Conduct
- Source Right 7.0
- Due diligence and audits across the supply chain to identify risks in child labor violations
- Education on labor topics for buyers
- Webinar for suppliers on the topic of Labor Compliance Management

In FY 2024/25, no violations related to child labor were reported by Lenovo's suppliers who completed the RBA VAP assessments.

Living wages

Through the RBA assessment and corrective action process, Lenovo drives suppliers to adhere to applicable wage and benefit laws and regulations. Lenovo recognizes the issue of living wages with Lenovo's suppliers is a growing topic of attention.

Policies, programs, and baselines are tools that can be used to drive improvements in this area. Lenovo is participating in the RBA Living Wage working group and is exploring the development of implementation guidelines to support workers in the supply chain.

Capability building

Many of Lenovo's suppliers are large national and international suppliers. They manage their corporate ESG programs while engaging directly with Lenovo's programs. In addition to its own training programs, Lenovo offers and provides the following to Tiers 1, 2, and 3 suppliers under its direct control:

- Lenovo has an enhanced ESG digital platform with a supplier training module. This module offers a comprehensive suite of ESG training courses, ranging from detailed explanations of its ESG project requirements to sessions on the latest developments and best practices in ESG-related issues.
- Lenovo provides semi-annual communications on topics including the RBA, environmental impact, Responsible Sourcing of Raw Materials, forced labor, key ISO certifications, ESG reporting, and Supplier Code of Conduct expectations.
- Lenovo created and promoted education material on its ESG requirements to approximately 1,200 suppliers at the 2024 Lenovo Supplier Standards and Certification Conference.
- In FY 2024/25, Lenovo GSC ESG team successfully held the 2024 Lenovo Supplier ESG Day online event. The event introduced Lenovo's supply chain ESG Programs and new initiatives, and also shared best practice in supply chain carbon reduction and climate action.
- In FY 2024/25, an onsite workshop was held in Shenzhen, China, focusing on Labor Compliance and Carbon Reduction.

Supply chain ESG digitalization

Lenovo is dedicated to leveraging digital technologies to elevate its capabilities of ESG management in the supply chain. The Global Supply Chain ESG Digital Platform aims to integrate end-to-end supply chain data to create transparency on organization and product-level environmental and social impacts, form closed-loop ESG KPI management, monitor risks, and enable seamless collaboration with upstream and downstream partners.

Supply chain resilience

In FY 2021/22, Lenovo established the GSC Risk Council to support risk management throughout its supply chain. The GSC Risk Council's mission is to increase Lenovo's growth by implementing risk controls through industry-proven processes that can enable the supply chain to quickly adapt to demands for new technology and reduce the risks associated with the transition. Agility and resilience are critical components for a successful GSC strategy that can withstand the short lifecycle of information and communications technology products and changing consumer demands.

The GSC Risk Council's main objectives include the oversight of:

- Risk identification
- Risk assessment
- Risk control
- Risk review and follow-up
- Scenario planning

The GSC Risk Council established a monthly collaborative platform to engage the business unit functions, leverage insight and identify synergies as Lenovo addresses risk management decisions. The convergence of business function leaders provides the opportunity to evaluate the impacts on the other functions and develop a consolidated business continuity plan with clear actions.

Effective risk management strategies have been a critical part of driving business performance. Lenovo also recognizes that opportunities are created when it transforms risks into opportunities that can support its long-term growth. The GSC Risk Council recently directed a scenario planning exercise that included identifying potential risks from the following categories:

- Strategy
- Financial
- Catastrophic events
- Human capital
- Legal and regulatory compliance
- Operations
- Sociopolitical

After analyzing these categories, the strategy team selected the top five risks for the fiscal year. With consideration of the organization's risk appetite and the business-driven data that was collected, the team selected the top five potential risks and conducted a comprehensive scenario planning for each risk. For each scenario, the team incorporated stakeholder feedback, identified contributing factors, and analyzed both short-term and long-term impacts.

The information derived from this planning exercise enabled the GSC Risk Council to understand the types of risks that may impact Lenovo and how those conditions may affect its performance, thus contributing to the development of greater strategy resilience and flexibility throughout the supply chain.

Lenovo has once again been named in the Gartner Global Supply Chain Top 25 listing for 2024. This annual ranking of the world's leading technology, retail, manufacturing, food and beverage, and pharmaceutical brands identifies and celebrates companies leading the way in supply chain management and is considered the gold standard in supply chain excellence.

In FY 2024/25, Lenovo was recognized by the IPE Green Supply Chain Corporate Information Transparency Index (CITI) and the Corporate Climate Action Transparency Index (CATI) and was ranked among the Top 10 in the IT industry.

CDP

In April 2024, CDP's annual report titled "Chinese Companies' 2023 CDP Disclosure Report" included an analysis of corporate participation in CDP Disclosure, key findings on responses from Chinese companies to CDP questionnaires, and corporate case studies. Lenovo was selected as one of three companies whose climate-related efforts were recognized. Lenovo's initiatives were discussed as an example of how strong governance, implementing a climate strategy, climate target setting, and seizing climate-related opportunities may strengthen a company's supply chain ESG management. Lenovo's collaborative efforts were also discussed including promoting carbon reduction practices among suppliers to help build a low carbon supply chain. Inclusion in this report as a corporate case study is a testament to Lenovo's performance in supply chain ESG management.

2024 Sedex Supply Chain Awards

The 2024 Sedex Supply Chain Awards were announced in August at the 2024 Sedex Sustainable and Responsible Supply Chain Conference. Lenovo won the Excellence Award and was also nominated for the Driving Changes Award.

The Sedex Supply Chain Awards annually recognize businesses for their efforts to drive social and environmental sustainability in global supply chains. Lenovo stood out from more than three hundred companies to receive the Excellence Award, demonstrating its commitment to and leadership in sustainability and ethical practices within its supply chain.

ESG initiatives in general procurement

Lenovo continues to expand its ESG initiatives beyond production procurement to include its general procurement suppliers. General procurement, which encompasses the acquisition of goods and services not directly tied to production, plays an essential role in advancing Lenovo's ESG objectives. By engaging general procurement suppliers, Lenovo seeks to reduce its environmental impact, support fair labor practices and diversity, and strengthen its reputation and stakeholder relationships.

As part of these efforts, Lenovo has made strides in embedding ESG principles across its indirect supply chain. ESG has been established as a priority focus area within general procurement, reflecting Lenovo's commitment to enhancing ESG performance across operations. Dedicated resources and strategic action plans have been implemented to drive this initiative forward, with the goal of laying a strong foundation for sustainable supplier engagement and program development.

Assessment

- General Procurement team identifies significant and high-risk suppliers through a robust risk mapping and monitoring tool. Identified suppliers are invited to a fuller assessment of supplier ESG performance. General Procurement team uses recognized platforms like EcoVadis and RBA to provide a standardized framework for measuring supplier ESG efforts.

- General Procurement team also integrates ESG-focused validation steps into the supplier onboarding processes and the Lenovo Top Supplier Program (LTSP) to ensure alignment between new suppliers and General Procurement's most strategic partners with Lenovo's sustainability goals. This tailor-made solution gathers ESG-related information in addition to those captured by EcoVadis.

Evaluation and recognition

- The LTSP recognizes and rewards suppliers demonstrating strong alignment with Lenovo's supply chain priorities and ESG commitments. This program provides suppliers an avenue to differentiate themselves and achieve stronger visibility within Lenovo's organizations and business executives.

- Supplier performance is evaluated through a holistic approach combining quantitative measures, such as EcoVadis ratings, with qualitative insights from onboarding processes, Supplier Performance Evaluation (SPE) and LTSP participation. This enables Lenovo to identify areas for improvement, highlight top performers, build supplier community among suppliers at different stages of their ESG journey, and drive continuous improvement in ESG practices.

Engagement and training

- Communication with internal stakeholders regarding ESG priorities has been significantly enhanced. Training sessions are conducted to equip procurement staff with the necessary tools and knowledge, supported by a network of ESG ambassadors embedded within various sourcing categories and regions.

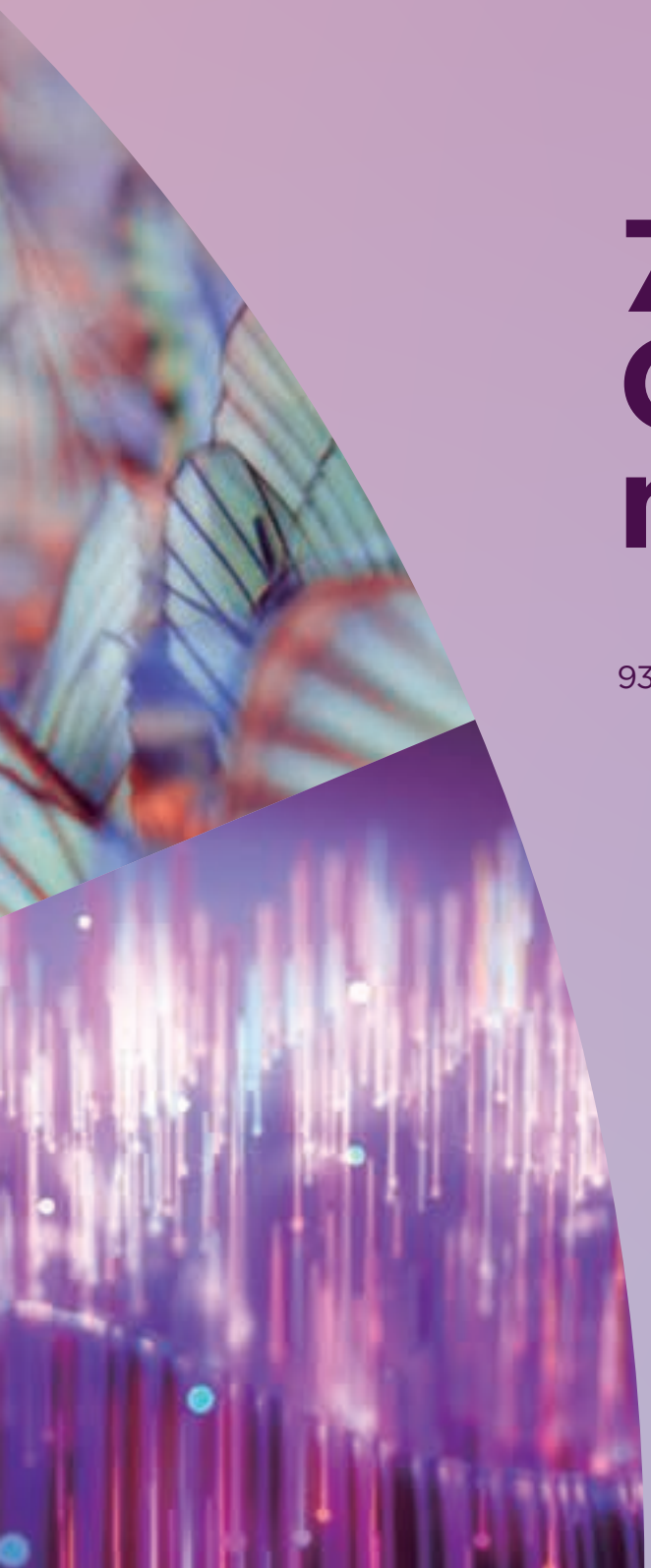
- Lenovo shares its ESG vision and expectations externally with suppliers while providing educational resources to suppliers to encourage awareness of related topics and improvement in sustainability performance.

Lenovo strives to enhance its ESG performance and deliver value to all its stakeholders, including its general procurement suppliers. By collaborating with these suppliers, Lenovo aims to realize its ESG aspiration of leading the way in responsibility and sustainability while fostering mutually beneficial relationships with its suppliers.

Supplier inclusion

Lenovo's supplier inclusion efforts aim to improve product innovation while boosting local economies. Lenovo is proud to continue its partnerships with several NGOs such as the National Minority Supplier Development Council (NMSDC), Disability:IN, National LGBT Chamber of Commerce, and the Women's Business Enterprise Networking Council (WBENC). By sourcing from a variety of underrepresented suppliers, Lenovo is able to find the best products, at the best price which can ultimately lead to improved revenue. In FY 2024/25, Lenovo spent hundreds of millions on small and underrepresented suppliers in the US, representing over 20 percent of its total expenditure in the US, with a percentage going to woman-owned and ethnically-underrepresented businesses.

As Lenovo moves forward, its success not only lies within workforce diversity but also in the inclusion of diverse suppliers that provide competitive advantages, increased innovation, and revenue that can support its brand reputation. Please visit here for more information.



7.0 Consolidated metrics

7.0 Consolidated metrics

FY 2024/25 Consolidated metrics

Revenue

Revenue					
Fiscal Year (FY)	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**
Total (millions USD)	$60,742	$71,618	$61,947	$56,864	**69,077**
By geography (%)					
Americas[1]	31%	32%	34%	34%	**34%**
Asia Pacific (excluding China)	19%	16%	17%	18%	**19%**
China	24%	26%	24%	22%	**23%**
EMEA[2]	26%	26%	25%	26%	**24%**

1 Americas – North America, Latin America
2 EMEA – Europe, Middle East, Africa

Employee representation

Employee representation*					
FY	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**
Total number of employees[1]	71,500	75,000	77,000	69,500	**72,000**
By region[2,3]					
Americas	14%	14%	14%	15%	**16%**
Asia Pacific (excluding China)	10%	11%	15%	15%	**16%**
China	69%	67%	62%	60%	**58%**
EMEA	7%	8%	9%	10%	**10%**
Employees by gender[2,4]					
Male	63%	63%	63%	63%	**63%**
Female	37%	37%	37%	37%	**37%**
Employees in technical roles by gender[2,4]					
Male	72%	71%	71%	71%	**71%**
Female	28%	29%	29%	29%	**29%**
Executives by gender[2,4]					
Male	79%	80%	79%	78%	**75%**
Female	21%	20%	21%	22%	**25%**
Employees by employment type[3]					
Regular employees	73%	80%	89%	93%	**92%**
Long-term plant contractors	27%	20%	11%	7%	**8%**
By age group[2,4]					
Under 30 years of age	15%	15%	15%	14%	**14%**
30-50 years of age	73%	73%	72%	72%	**70%**
Over 50 years of age	12%	12%	13%	14%	**15%**

1 On March 31, 2025, Lenovo had a headcount of approximately 72,000 worldwide.
2 Includes Lenovo regular employees only. Data excludes:
- *Consultants and vendors working through a contract agency or third-party performing services or consulting on site for a brief time and hence excluded from the scope.*
- *Contractors who usually perform non-critical, non-core jobs and their employment decisions, including pay and benefits, are made by the third-party employer – and hence excluded from the scope.*
- *Supplemental students who are interns or who are hired for a very short window of time and hence excluded from the scope.*

3 Employment type and geographical data is aligned with the FY 2024/25 Financial Annual Report. Americas represent North America and Latin America. EMEA represents Europe, Middle East, and Africa.
4 Gender and age categories include an "undeclared" category representing less than 1% of the population.
** Totals may differ from the exact sums of individual numbers due to rounding.*

Employee representation – US[1]					
FY	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**
US employees by race/ethnic background (%)					
Asian	17%	17%	17%	17%	**18%**
Black or African American	8%	9%	9%	9%	**9%**
Hispanic or Latinx	6%	6%	7%	7%	**7%**
White	66%	65%	63%	63%	**62%**
Remaining under-represented groups[2]	2%	2%	3%	3%	**3%**
No data	1%	1%	1%	1%	**1%**
US executives by race/ethnic background (%)					
Asian	18%	18%	20%	21%	**20%**
Black or African American	2%	2%	2%	2%	**4%**
Hispanic or Latinx	7%	8%	7%	5%	**5%**
White	72%	72%	70%	68%	**68%**
Remaining under-represented groups[2]	1%	1%	1%	1%	**1%**
No data	0%	0%	1%	2%	**3%**
US employees in technical roles by race/ethnic background (%)					
Asian	26%	26%	27%	26%	**27%**
Black or African American	7%	8%	8%	8%	**8%**
Hispanic or Latinx	5%	5%	5%	6%	**6%**
White	60%	58%	56%	55%	**55%**
Remaining under-represented groups[2]	2%	2%	2%	2%	**2%**
No data	1%	2%	2%	2%	**2%**

1 Employee representation data includes Lenovo regular employees only. Data excludes:

- *Consultants and vendors working through a contract agency or third-party performing services or consulting on site for a brief time and hence excluded from the scope.*
- *Contractors who usually perform non-critical, non-core jobs and their employment decisions, including pay and benefits, are made by the third-party employer – and hence excluded from the scope.*
- *Supplemental students who are interns or who are hired for a very short window of time and hence excluded from the scope.*

Totals may differ from the exact sums of individual numbers due to rounding.

2 Remaining under-represented groups – Alaskan Native, Hawaiian, Pacific Islander, or Two or More Races.

Supplementary workforce information*

Talent pipeline

Women as a % of total			
Fiscal Year (FY)	**2022/23**	**2023/24**	**2024/25**
Management[1] roles	30	30	**31**
Senior management[2] roles	28	28	**28**
Middle management[3] roles	41	40	**39**
Non-managerial positions	38	38	**38**
Promotions	41	42	**42**
Hires	34	35	**39**

1 *Total management is defined as all people managers in Lenovo.*
2 *Senior management is defined as Senior Managers to Directors who are people managers.*
3 *Middle management is defined as Senior Professionals to Managers who are people managers.*

Inclusive culture

Inclusive culture			
FY	**2022/23**	**2023/24**	**2024/25**
Number of weeks[1] of fully paid primary parental leave offered	23	24	**23**
Number of weeks[1] of fully paid secondary parental leave offered	4	4	**4**
Parental leave retention rate (%)[2]	87	88	**89**
Back-up family care services or subsidies through Lenovo (%)[3]	78	79	**74**

1 *Weighted average.*
2 *Parental leave retention rate is defined as the percentage of women employees that remained employed 12 months after their return from parental leave, out of all women who used the parental leave during previous fiscal year.*
3 *Back-up family care services or subsidies through Lenovo represent offerings such as childcare center, subsidized services, or reimbursement that allow employees to work while securing back-up care resources at no cost or at a discounted price. The figures represent percentage of employees who have access to such offerings.*

Pay equity

Pay equity			
FY	**2022/23**	**2023/24**	**2024/25**
Adjusted mean[1] gender pay gap[2] (%, USD$)	2.6%	2.3%	**3.0%**
	(1,935)	(1,731)	**(2,470)**

1 *Global mean (average) raw gender pay gap measures the difference in total compensation between women and men, without adjusting for factors such as job function, level, education, performance, or location. Lenovo discloses an adjusted mean gender pay gap as it provides a more accurate reflection of commitment to pay equity due to Lenovo's global presence and complex business operations.*
2 *87%, 88%, and 85% of global workforce population represented in data for FY 2022/23, FY 2023/24, and FY 2024/25, respectively, include Lenovo's regular full-time employees between Band 5 (entry level) and Vice President level across 15 countries with the largest headcounts. To enhance the accuracy and inclusivity of its adjusted pay gap analysis, Lenovo expanded the dataset to cover a broader representation of indirect labor population and refined the coverage to include entities with comparable compensation policies. To ensure at least 85% of this population was included in the results, the number of countries analyzed increased from 15 to 21. This refinement allows for a more comprehensive assessment of pay equity across Lenovo's global operations.*

* *Includes Lenovo regular employees only. Excludes contractors, third-party or contracted consultants and vendors, and interns*

Employee turnover

Employee turnover[1,2]					
FY	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**
Total turnover rate of employees	8%	11%	7%	5%	**6%**
By region[3]					
Americas	6%	12%	8%	5%	**11%**
Asia Pacific (excluding China)	7%	11%	10%	8%	**13%**
China	10%	12%	6%	4%	**4%**
EMEA	4%	7%	7%	5%	**4%**
By gender[4]					
Male	8%	11%	7%	5%	**6%**
Female	8%	11%	7%	6%	**6%**
By age group[4]					
Under 30 years of age	16%	21%	11%	9%	**12%**
30-50 years of age	7%	10%	7%	4%	**5%**
Over 50 years of age	3%	5%	5%	4%	**5%**

1 *Turnover rate data covers voluntary departure of Lenovo regular employees for the full FY 2024/25. Involuntary turnover is planned exit of Lenovo regular employees which is in alignment with Lenovo's strategy and decisions. Hence, as a strategic and standard practice, this is excluded from reporting. The absolute values for data underpinning the calculation of turnover rates are not disclosed due to the sensitive nature of the information.*

2 *Employee turnover data includes Lenovo regular employees only. Data excludes:*
- *Consultants and vendors working through a contract agency or third-party performing services or consulting on site for a brief time and hence excluded from the scope.*
- *Contractors who usually perform non-critical, non-core jobs and their employment decisions, including pay and benefits, are made by the third-party employer –and hence excluded from the scope.*
- *Supplemental students who are interns or who are hired for a very short window of time and hence excluded from the scope.*

3 *Geographical data is aligned with the FY 2024/25 Financial Annual Report. Americas represent North America and Latin America. EMEA represents Europe, Middle East, and Africa.*

4 *Gender and age categories include an "undeclared" category representing less than 1% of the population.*

Employee training

Percentage of employees trained[1]					
FY	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**
Percentage of total employees who took part in training[2]	n/a	73%	80%	98%	**100%**
By gender[3]					
Male	n/a	41%	37%	36%	**62%**
Female	n/a	58%	62%	62%	**36%**
By employee category					
Individual contributors and contractors	n/a	75%	78%	79%	**81%**
Middle management	n/a	23%	21%	20%	**18%**
Senior management or executives	n/a	2%	1%	1%	**1%**

1 *"n/a" for select metrics for previous year(s) due to a system change to enhance Lenovo's training initiatives impacting data availability from past year(s). The number of total training hours was 486,174.*

2 *Calculated as number of employees who took part in training via Lenovo's learning platform "Grow@Lenovo" divided by the total number of employees who have access to it at the end of fiscal year. Training taken by employees outside of Grow@Lenovo excluded due to data availability.*

3 *Gender categories includes an "undeclared" category representing less than 3% of the population.*

Average number of training hours per employee[1]					
FY	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**
Average number of training hours per employee[2]	n/a	5	6	9	**10**
By gender[3]					
Male	n/a	7	8	9	**10**
Female	n/a	8	8	10	**10**
By employee category					
Individual contributors and contractors	n/a	7	7	9	**10**
Middle management	n/a	9	8	11	**12**
Senior management or executives	n/a	7	5	9	**11**

1 "n/a" for select metrics for previous year(s) due to a system change to enhance Lenovo's training initiatives impacting data availability from past year(s). The number of total training hours was 486,174.

2 Calculated as total number of training hours via Lenovo's learning platform "Grow@Lenovo" divided by the total number of employees who have access to it at the end of fiscal year. Training taken by employees outside of Grow@Lenovo excluded due to data availability.

3 Gender categories includes an "undeclared" category representing less than 3% of the population.

Occupational health and safety (OHS)

Occupational health and safety (OHS)					
FY	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**
Total recordable incident rate	0.04	0.07	0.08	0.04	**0.06**
Number of employee fatalities	0	0	0	0	**0**
Number of contractor fatalities	0	0	1	0	**0**
Fatal work injury rate[1]	0	0	0.002	0	**0**
Lost days due to work injury[2]	143	384	324	174	**486**
Days away from work case rate (Lost-time injury rate)	0.03	0.05	0.05	0.03	**0.05**
Number of ISO 45001: 2018 registered facilities	11	11	15	12	**12**
Manufacturing employee health and safety training					
Average number of hours of training per manufacturing employee	52	35	45	49	**64**

1 Represents the number of fatalities per 100 employees per year and calculated as total number of fatalities multiplied by 200,000 and divided by total hours worked. The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.

2 Enhanced calculation methodology to increase accuracy by utilizing a fiscal year end cutoff date starting from FY 2024/25.

Philanthropy and community engagement*

Corporate cash and product donations[1]					
FY	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**
Lenovo Foundation and Donor Advised Funds	$545,552	$872,068	$1,993,187	$743,751	**$851,200**
China[2]	$2,778,093	$9,801,972	$11,606,068	$6,472,999	**$4,233,754**
North America	$4,520,545	$4,996,881	$5,719,667	$5,459,863	**$5,332,184**
Latin America[3]	$2,134,833	$1,200,680	$3,371,355	$1,350,623	**$921,393**
EMEA	$988,612	$915,180	$2,320,280	$921,009	**$1,450,243**
Asia Pacific (excluding China)[4]	$863,638	$841,510	$1,516,954	$998,341	**$1,029,008**

1 Lenovo's response to natural disasters is tracked at the business geography level.
2 Figures include funds given by Lenovo Foundation Beijing.
3 Figures include funds given through corporate tax incentive programs in Brazil.
4 Figures include Lenovo's compliance to the Companies Act in India.

Employee volunteering and giving					
FY	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**
Employee volunteering hours (through efforts sponsored by Lenovo)					
North America	4,161	5,873	13,093	18,537	**14,326**
Rest of world	15,335	77,564	34,961	68,342	**66,475**
Estimated value[1] of employee volunteer hours	$838,307	$3,587,791	$2,066,322	$3,735,797	**$3,474,473**
Employee giving[2]					
Lenovo match of global employee donations	$1,541,679	$2,239,305	$1,813,404	$1,951,105	**$1,674,797**

1 Calculated based on an entry level hourly wage of $43 per hour.
2 Represents the corporate match from Lenovo for employees around the world (not employees' personal contributions).

Contribution to and impact on communities					
FY	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**
Total contribution to communities[1]	$11,831,274	$20,867,596	$28,340,914	$17,897,690	**$15,492,580**
Estimated value[2] of community impact through philanthropy and volunteerism	$14,211,260	$24,455,388	$30,407,236	$21,633,488	**$18,967,054**

1 Represents sum of cash contributions, product donations, and Lenovo's match of employee contributions.
2 Represents sum of estimated value of employee volunteerism.

"Love on" Annual Service Project					
FY	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**
Participating locations	52	79	73	66	**62**
Number of projects	132	117	126	135	**144**
Number of volunteer instances	3,120	3,653	3,747	4,940	**3,659**
Number of hours spent on direct, hands-on service	19,267	13,538	16,180	25,236	**16,829**
Number of individuals directly impacted through projects	38,478	42,075	67,520	47,871	**68,916**

** Contributions cannot be allocated specifically to Lenovo's individual community investment focus areas as contributions may serve multiple focus areas.*

Environmental data – GHG Emissions

Greenhouse Gas (GHG) emissions (metric tons CO_2 equivalent – MT CO_2e)[1]					
FY	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**
Total GHG emissions by scope					
Scope 1	7,269	6,069	6,303	4,969	**5,849**
Scope 2 (location-based)	177,678	191,778	202,440	196,859	**174,862**
Scope 2 (market-based)	21,519	21,160	19,540	17,997	**12,409**
Scope 1 and Scope 2 (location-based)	184,947	197,847	208,742	201,828	**180,710**
Scope 3	23,966,561	17,422,913	18,741,480	15,100,063	**17,731,678**
Scope 3 upstream categories	8,112,061	8,971,913	10,133,480	7,844,595	**7,311,163**
Scope 3 downstream categories	15,854,500	8,451,000	8,608,000	7,255,468	**10,420,515**
GHG emissions intensity (metric tons per US$ million revenue)					
Scope 1 and 2 (location-based)	3.04	2.76	3.37	3.55	**2.62**
Scope 3 emissions by category					
Purchased goods and services	6,495,779	7,798,826	8,662,378	6,507,693	**5,973,381**
Capital goods	736,500	360,000	833,800	863,700	**880,586**
Fuel- and energy-related activities (not included in Scope 1 or 2)	11,050	12,000	12,924	12,700	**8,616**
Upstream transportation and distribution	815,262	737,979	538,156	360,152	**348,268**
Waste generated in operations	1,770	1,810	1,808	2,135	**1,864**
Business travel	11,900	20,255	38,846	41,630	**43,241**
Employee commuting	39,800	41,043	45,568	56,585	**55,207**
Use of sold products	15,551,000	8,270,000	8,451,000	7,131,203	**10,267,528**
End-of-life treatment of sold products	303,500	181,000	157,000	124,265	**152,987**
Scope 3 emissions – Product transportation by transportation mode (MT CO_2e)[2]					
Air	744,009	657,882	477,172	312,443	**309,117**
Rail	14,702	5,623	332	261	**179**
Inland waterways	n/a	n/a	n/a	n/a	**n/a**
Roadways	45,071	67,091	51,426	30,887	**14,246**
Sea	11,480	7,383	8,516	16,561	**24,726**
Reported incident					
Number of reported incidents of refrigerant releases					**0**

1 *Totals may differ from exact sums of individual figures due to rounding.*
2 *This metric includes warehouse emissions starting from FY 2023/24.*

GHG emissions measurement approach	
Approach	
Standards used	• GHG Protocol Corporate Accounting and Reporting Standard (2004) • GHG Protocol Scope 2 Guidance (2015) • GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)
Measurement approach	Operational control due to the ability to take full ownership of all GHG emissions Lenovo can directly influence and reduce
Operational boundary	Lenovo accounts for 100% of the GHG emissions and removals from operations over which it has control. Emissions from operations over which Lenovo does not exercise full control are not included.
Scope	**Source**
Scope 1	• UK DEFRA: Government Conversion Factors for Company Reporting of Greenhouse Gas Emissions (Jetfuel excluded) • Jetfuel emissions data from vendor
Scope 2 (location-based)	Electricity: • IEA emission factors • eGrid emission factors • 2021 Electricity Carbon Dioxide Emission Factors by Ministry of Ecology and Environment of the People's Republic of China and the National Bureau of Statistics of China Steam: • UK DEFRA: Government Conversion Factors for Company Reporting of Greenhouse Gas Emissions
Scope 2 (market-based)	• AIB European Residual Mixes (electricity) • Scope 2 (location-based) factors for non-EU regions (electricity) Please refer to renewable energy in Section 3.0 for renewable energy instruments used by Lenovo to help reduce location-based Scope 2 emissions and calculate market-based Scope 2 emissions.
Scope 3	See Scope 3

Scope 3		
Scope 3 category	**Source of emission factor**	**Basis for selection**
Purchased goods and services	The US Environmentally-Extended Input-Output (USEEIO)	Purchased goods and services cover 100% production suppliers. Due to data availability, emissions are estimated based on procurement spending from previous fiscal year.
Capital goods	The 2012 Guidelines to DEFRA GHG Conversion Factors for Company Reporting	Based on purchased capital goods in a given year with inflation rate and exchange rate adjustment.
Fuel- and energy-related activities	Same emission factors for Scope 1 and Scope 2 (location-based) emissions	Activities (not included in Scope 1 or 2) include transmission and distribution (T&D) losses from Lenovo's worldwide purchased electricity and natural gas. A World Bank database and Energy Star Performance Rating document were used for determining T&D loss rates.
Upstream transportation and distribution	Emissions data provided by Lenovo's third-party service provider EcoTransIT	Product transportation emissions include finished goods transport, from factories to customers. The calculation based on Global Logistics Emission Council (GLEC) methodology. EcoTransIT tool aligns with well-to-wheel (WTW) GHG emissions. Includes warehouse emissions starting from FY 2022/23.
Waste generated in operations	Ecoinvent, and Solid Waste Management and Greenhouse Gases: A Life-Cycle Assessment of Emissions and Sinks by US EPA	Include nonhazardous waste, hazardous waste and wastewater from all manufacturing, R&D locations and some large offices. No product waste is included.
Business travel	Emission data provided by Lenovo's travel agencies and car renting agencies	Based on information related to employee travel from travel agencies and car renting agencies.
Employee commuting	Commuting emissions calculated by the GHG Protocol tool for mobile combustion. Emissions from remote workers calculated by a third party tool from Sustainability Roundtable Inc.	Lenovo conducted a worldwide employee survey. Based on employees' responses and their extrapolation, the CO_2e emissions were estimated.
Use of sold products	Emissions data provided by Product Attribute Impact Algorithm (PAIA) tool	The emissions associated with use and end-of-life treatment of sold products were estimated on a "narrow" baseline for the typical notebook, desktop, monitor, tablet, all-in-one, thin client and server multiplied by sold or shipped product volumes.
End-of-life treatment of sold products	Emissions data provided by PAIA tool	

Environmental data – Energy

Energy					
FY	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**
Energy consumption (MWh)[1]					
Total energy consumption	346,683	366,885	392,825	377,338	**396,935**
Direct (Fuel combustion)	33,157	24,546	29,165	22,760	**25,498**
By Source (Fuel detail):					
Stationary combustion:					
Gas/diesel oil	2,698	1,405	1,978	1,765	**1,582**
Natural gas	29,533	21,599	20,310	17,454	**15,788**
Liquefied petroleum gas	404	389	341	272	**351**
Mobile combustion:					
On road diesel fuel	174	442	530	452	**303**
Gasoline/petrol	277	415	326	270	**691**
Liquefied petroleum gas	66	31	25	14	**34**
Compressed natural gas	–	–	–	–	**–**
Jet Kerosene	6	264	5,654	2,533	**6,748**
Indirect (Purchased energy)[2]	313,526.43	342,340	363,660	354,578	**371,437**
Electricity	292,751	323,663	349,118	337,276	**357,310**
Steam	19,470	17,281	13,964	16,724	**13,547**
Cooling	1,306	1,395	578	578	**579**
Energy consumption (gigajoules)[1]					
Total energy consumption	1,248,059	1,320,787	1,414,169	1,358,417	**1,428,966**
Direct (Fuel combustion)	119,364	88,364	104,994	81,936	**91,793**
By Source (Fuel detail):					
Stationary combustion:					
Gas/diesel oil	9,712	5,058	7,122	6,354	**5,695**
Natural gas	106,317	77,757	73,118	62,835	**56,837**
Liquefied petroleum gas	1,454	1,401	1,227	977	**1,264**
Mobile combustion:					
On road diesel fuel	626	1,593	1,909	1,626	**1,091**
Gasoline/petrol	996	1,492	1,174	973	**2,488**
Liquefied petroleum gas	236	112	91	51	**122**
Compressed natural gas	–	–	–	–	**–**
Jet Kerosene	21	952	20,353	9,120	**24,293**
Indirect (Purchased energy)[2]	1,128,696	1,232,422	1,309,174	1,276,481	**1,337,173**
Electricity	1,053,903	1,165,186	1,256,824	1,214,193	**1,286,316**
Steam	70,092	62,213	50,269	60,207	**48,769**
Cooling	4,701	5,023	2,081	2,081	**2,084**

1 *Totals may differ from exact sums of individual figures due to rounding.*

2 *Approximately less than 1% of purchased energy (electricity) is estimated based on energy use at Lenovo's similar facilities with metered usage.*

Energy					
FY	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**
Renewable energy					
Solar Energy (MWh)	9,065	9,360	13,333	16,956	**19,846**
Generation Capacity (MW)[1]	16	17	17	25	**35**
Renewable Electricity Rate (%)	88	91	90	92	**94**
Energy intensity (MWh per US$ million revenue)					
Direct energy (Fuel combustion)	0.55	0.34	0.47	0.40	**0.37**
Indirect energy (Purchased energy)	5.36	4.78	5.87	6.24	**5.38**

1 *Renewable energy generation capacity includes electric solar panels installed on buildings/plants in Brazil, China, Hungary, Mexico, and the US.*

Calendar Year (CY)	**2020**	**2021**	**2022**	**2023**	**2024[1]**
ENERGY STAR® certified products availability (percentage of product)					
Notebook Platforms	98%	92%	90%	91%	**88%**
Desktop Platforms[2]	97%	98%	83%	82%	**85%**
Workstation Platforms	98%	100%	100%	100%	**100%**
Server Platforms[2]	90%	94%	92%	82%	**71%**
Monitors[2]	90%	80%	69%	50%	**52%**

1 *In CY 2024 100% of Lenovo's Commercial Notebooks (ThinkPad) and Desktops (ThinkCentre), and 98% of its Commercial Monitors (ThinkVision) are ENERGY STAR certified.*

2 *The downward trend over the years can be attributed to an expanded line of gaming systems products and Lenovo deciding not to obtain certification for some products based on low demand for certification and cost factors.*

Environmental data – Waste

Waste[1]					
FY	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**
Waste by category (metric tons)					
Non-hazardous waste[2]	51,648	49,403	50,420	47,780	**54,032**
Hazardous waste[3]	37	125	679	672	**686**
Total	51,685	49,528	51,099	48,452	**54,717**
Total diverted from disposal	46,198	43,705	44,644	42,362	**49,194**
Total directed to disposal	5,487	5,823	6,455	6,090	**5,521**
Waste diverted from disposal by recovery operation (metric tons)[4]					
Total non-hazardous waste diverted for recovery	46,195	43,656	44,056	42,002	**48,661**
Resale/Reuse	28,099	24,599	23,072	21,937	**23,643**
Recycling[5]	18,096	19,056	20,984	20,065	**25,018**
Total hazardous waste diverted for recovery[6]	3	49	588	360	**533**
Waste directed to disposal by disposal operation (metric tons)[7]					
Total non-hazardous waste	5,453	5,747	6,364	5,778	**5,371**
Incineration	27	776	2,337	2,827	**2,022**
Incineration with energy recovery	3,093	3,262	3,075	1,674	**2,328**
Landfilling	2,334	1,709	952	1,277	**1,021**
Total hazardous waste	34	76	91	312	**150**
Incineration	28	73	75	289	**119**
Landfilling	0	0.00	1	0.0	**0.0**
Treatment	6	3	16	23	**32**
Reported incident					
Number of reported incident					**0**

1 *Lenovo's day-to-day operations around the globe generate nonhazardous waste and minimal quantities of hazardous waste. Waste intensity figures for both types of waste are not appropriate metrics for Lenovo's operations due to incomparability among the wide variety of products produced and variety of size and function of facilities. Waste data includes site waste from most manufacturing, processes and operations, research & development sites, and large offices. Waste from products is reported separately. Totals may differ from exact sums of individual figures due to rounding.*

2 *E-waste generated at Lenovo's sites is also included in PELM data.*

3 *Batteries collected at Lenovo's sites are also included in the PELM data.*

4 *Lenovo does not operate any onsite recovery operations; all wastes are separated onsite to be collected by third-parties for recovery offsite.*

5 *Recycling includes some composting of nonhazardous, organic wastes.*

6 *All hazardous waste diverted for recovery was diverted for recycling.*

7 *Lenovo does not operate any onsite disposal operations; all wastes are separated onsite to be collected by third-parties for disposal offsite.*

Environmental data – Water

Water*					
FY	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**
Water withdrawal (megaliters)					
All areas[1,2]	1,428	1,567	1,499	1,420	**1,465**
By source (% of total):					
Groundwater	<1%	<1%	<1%	<1%	**<2%**
Third parties	>99%	>99%	>99%	>99%	**>98%**
Areas with water stress[3]	343	377	330	731	**739**
By source (% of total):					
Groundwater	<1%	<1%	<2%	<1%	**<2%**
Third parties[4]	>99%	>99%	>98%	>99%	**>98%**
Surface water	72%	73%	77%	90%	**90%**
Groundwater	8%	9%	10%	3%	**4%**
Water discharge (megaliters)					
All areas[1]	1,294	1,469	1,481	1,400	**1,443**
By destination (% of total):					
Groundwater	<1%	<1%	<1%	<1%	**<1%**
Third parties	>99%	>99%	>99%	>99%	**>99%**
Areas with water stress[3]	326	371	323	720	**726**
Wastewater exceedances	0	1	0	0	**0**
Water consumption (megaliters)					
All areas[1]	134	98	18	20	**22**
Areas with water stress[3]	17	5	7	11	**12**
Water intensity metrics (cubic meters per person)[5]					
Withdrawal intensity	20	21	19	20	**20**
Discharge intensity	18	20	19	20	**20**
Consumption intensity	2	1	0	0.3	**0.3**
Reported incident					
Number of reported incident					**0**

1 For FY 2024/25, "All areas" includes all Lenovo's manufacturing, research & development, and large office sites. In earlier FYs, some research and development and large office locations were excluded while Lenovo worked to increase data coverage. Small offices and retail locations are always excluded from the water reporting requirements, however a few small offices voluntarily report and are included. Totals may differ from exact sums of individual figures due to rounding.

2 All water withdrawals are estimated to be freshwater withdrawals. Due to Lenovo's reliance on third-parties for the vast majority of its water withdrawals, it is not possible to determine the exact parameters of all sources, however it is reasonable to assume the majority of the sources had low Total Dissolved Solids (TDS) based on local knowledge and communication with third-parties.

3 Areas with water stress are areas with high or extremely high baseline water stress according to World Resources Institute's Aqueduct Water Risk Atlas. Values reported for areas with water stress are a subset of values reported for all areas. In FY 2023/24, the increase in withdrawal from areas with water stress is primarily due to Aqueduct Water Risk Atlas's updated classification of water stress areas, resulting in inclusion of areas previously classified as non-water stress areas where Lenovo has operations.

4 Third-party withdrawal by source was collected for all Lenovo's environmentally significant sites (which are Lenovo's manufacturing and R&D locations). In FY 2024/25, these locations comprised approximately 94% of Lenovo's third-party withdrawal from water stressed areas. The remaining 6% are primarily from office locations that often require less water and operate as part of a larger office complex where they may not be directly billed by the third-party responsible for withdrawals.

5 Water intensity metrics are based on Lenovo's total global headcount which includes the headcount of the excluded small office locations mentioned in Note 1.

** Totals may differ from exact sums of individual figures due to rounding.*

Environmental data – Packaging

Packaging					
FY	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**
Total packaging material used for finished products (metric tons)[1]	115,041	119,621	99,978	80,154	**82,141**
Average packaging weight per unit by product category (grams):					
Notebook	528	528	528	559	**526**
Desktop	1,900	1,900	1,900	1,739	**1,366**
Server[2]	4,614	4,614	4,614	4,614	**2,920**
Workstation	1,700	1,700	1,700	2,198	**2,198**
Monitor	1,920	1,920	1,920	1,815	**1,806**
Smartphone	100	100	110	113	**113**
Tablet	373	373	373	444	**350**
Accessory	300	300	300	300	**216**

1 *Estimated using the average packaging weight per unit and total shipping volumes for the following categories of products: notebooks, desktops, servers, workstations, monitors, smartphones, tablets, and accessories.*

2 *The decrease in FY 2024/25 was due to a change in calculation methodology where a weighted-average approach was used to enhance the accuracy of the disclosure.*

Environmental data – Product End-of-Life management

Product End-of-Life Management (PELM) Disposition (metric tons)[1]					
Calendar Year (CY)	**2020**	**2021**	**2022**	**2023**	**2024**
Reused	1,695	1,875	1,901	2,948	
Recycled	28,076	30,143	30,679	30,111	
Waste to Energy (WTE)	793	523	896	371	**See note 2.**
Incinerate	1,978	728	243	104	
Landfill	340	894	387	246	
Total	32,882	34,163	34,106	33,789	

1 *Lenovo's Product End-of-Life Management (PELM) and Product Take Back (PTB) includes materials from customers and company-owned returns, manufacturing and R&D scrap, and employee equipment from real estate sites. These metrics represent all data received from PELM suppliers as of the time of publication of this report.*

2 *At the time of publication of this report, data from various regulatory programs/schemes was not available. Lenovo will publish the CY 2024 PELM and PTB data on the corporate ESG webpage www.lenovo.com/recycling when it becomes available.*

Environmental data – Product take back

Product Take Back (PTB) Disposition (metric tons)[1]					
CY	**2020**	**2021**	**2022**	**2023**	**2024**
Reused	1,536	1,556	1,669	2,648	**See note 2.**
Recycled	27,249	29,295	29,863	26,761	
Waste to Energy (WTE)	782	519	892	366	
Incinerate	1,904	728	239	104	
Landfill	324	885	385	246	
Total	31,795	32,983	33,048	30,125	

1 Lenovo's Product End-of-Life Management (PELM) and Product Take Back (PTB) includes materials from customers and company-owned returns, manufacturing and R&D scrap, and employee equipment from real estate sites. These metrics represent all data received from PELM suppliers as of the time of publication of this report.

2 At the time of publication of this report, data from various regulatory programs/schemes was not available. Lenovo will publish the CY 2024 PELM and PTB data on the corporate ESG webpage www.lenovo.com/recycling when it becomes available.

Environmental data – Use of recycled plastics

Use of recycled plastics in products (kilograms)[1]					
CY	**2020**	**2021**	**2022**	**2023**	**2024**
Plastics Containing Recycled Content (PCRC)	5,946,839	7,787,871	6,973,663	9,671,002	**12,059,561**
Net Post-Consumer Recycled Content (PCC)	4,352,788	5,760,388	5,243,723	8,983,623	**9,020,680**
Net Closed-Loop Post-Consumer Recycled Content (CL PCC)	4,044,574	4,657,491	4,110,048	6,630,995	**6,284,324**

1 These metrics represent all data received from recycled plastics suppliers at the time of publication.

Cumulative total use of recycled plastics in products since early 2005 (kilograms)[1]	
CY	**2024**
Gross containing PIC, PCC, and/or CL PCC	**152,089,227**
Net PCC	**57,868,034**
Net CL PCC	**31,215,971**

1 These metrics represent all data received from recycled plastics suppliers at the time of publication.

Recycled content usage in products					
CY	**2020**	**2021**	**2022**	**2023**	**2024**
Number of products that use CL PCC	103	248	298	315	**222**

Business practices data

FY	2024/25
Training – Completion rate (percentage)	
Security Essentials and Privacy Basics training[1,2]	**100**
Mandatory eLearning Code of Conduct including topics of: [1,2]	
Anti-competitive practices and fair competition	**99**
Anti-bribery and corruption	
Whistleblowing and investigations	
Anti-money laundering	
Insider trading	
Number of concluded cases	
Number of concluded legal cases regarding corruption[3]	**1**
LenovoLine	
Percentage of anonymous reporters	**39**
Number of cases received involving ethics and compliance[4]	**306**
Number of cases closed and addressed accordingly	**267**

1 *Includes computer-based employees, including senior management and executives, who have access to the Grow@Lenovo eLearning system through their company-provided assets.*

2 *Percentage of computer-based employees who completed the anti-bribery and corruption mandatory eLearning course assigned in the reporting period. In addition, 50 facilitator-led sessions focused on anti-bribery and corruption basics and case studies were provided to over 17,000 China-based employees of Lenovo.*

3 *In FY 2024/25, Lenovo concluded a legal case in China stemming from an internal investigation that revealed inappropriate practices involving three former employees and a third-party business partner. The court found that the employees colluded with the third-party business partner to falsify sales contracts, enabling the purchase of Lenovo products at discounted prices and their resale to a Lenovo affiliate at inflated rates. Following the court's conviction, criminal penalties, including imprisonment, were levied against the former employees and the business partner involved. In response, Lenovo took swift and decisive action by enhancing internal controls, reinforcing compliance protocols, recovering illicit gains, and terminating relationships with the employees and the business partner involved. The case had minimal impact on Lenovo's business operations and underscores Lenovo's ongoing commitment to integrity and ethical business conduct.*

4 *This figure represents the number of cases received and handled by the Investigations Oversight Committee.*

Lenovo 360 Circle data

FY	2024/25
Membership	
Cumulative number of members as of the end of FY[1]	**524**
Number of countries represented[2]	**51**
Number of members with dedicated sustainability resources[3]	**253**

1 Members are companies and represent Lenovo's channel business partners including resellers and distributors.
2 Based on the country in which the headquarter of the member is located as declared in membership application.
3 Based on self-reported information declared in membership application.

Global supply chain ESG data

FY	2024/25
Supplier spend with local suppliers (percentage)[1]	
Estimated production supply spend with local suppliers in China	**80**
Estimated production supply spend with local suppliers in other manufacturing countries or regions	**20**
Production procurement suppliers geographic distribution[2]	
Total	**554**
Asia Pacific	**130**
Chinese mainland	**244**
Europe	**41**
India	**10**
Latin America	**1**
North America	**128**
Master Procurement Process indicator and result	
Number of production procurement suppliers assessed via new supplier validation process	**158**
Supplier RBA assessment labor-related result	
Number of suppliers with identified major labor findings	**46**
Suppliers and renewable energy (percentage)	
Suppliers by spend with public renewable energy goals	**72**
Suppliers by spend with tracking and reporting renewable energy generation and purchases	**95**

1 Lenovo considers local suppliers as those that operate in the same country as its significant locations of operations. In FY 2024/25, its significant locations of operations included manufacturing locations in Brazil, China, Hungary, India, Japan, Mexico, and US.
2 The geographic distribution Lenovo's production procurement suppliers is determined as of the end of 2024. Lenovo has identified all production procurement suppliers as critical suppliers and all the identified suppliers are included. The allocation is determined based on the registered legal entity of the headquarters of suppliers. No significant change in data or calculation methodology compared with previous year.

Select supplier ESG performance indicators and results (percentage by procurement spend)			
FY	**2022/23**	**2023/24**	**2024/25**
RBA compliance			
VAP assessments	93	94	**93**
RBA VAP recognition	83	90	**91**
Factory of Choice recognition	17	22	**23**
Environmental impact			
Suppliers with public GHG reduction goals	93	95	**96**
Suppliers with third-party verification of their GHG emissions data	89	91	**94**
Suppliers with/committed to setting Science Based Target	45	42	**51**
Suppliers with public water reduction goals	84	85	**86**
Suppliers with public waste reduction goals	76	77	**80**

Supplier RBA assessments historical average scores[1]				
CY	**2021**	**2022**	**2023**	**2024**
Suppliers				
Labor score	159	160	165	**168**
Health and safety score	182	182	182	**181**
Environmental score	193	190	197	**195**
Ethics score	198	199	200	**199**
Management score	195	196	195	**189**
Total score	164	164	169	**169**
Average number of priority findings[2]	0.1	0.2	0.1	**0.1**
Average number of major findings[2]	4.7	4.4	4.3	**4.3**
ODM partners				
Labor score	167	165	171	**176**
Health and safety score	182	191	193	**184**
Environmental score	195	187	196	**196**
Ethics score	195	198	199	**194**
Management score	195	194	194	**186**
Total score	170	172	178	**175**
Average number of priority findings[2]	0.0	0.0	0.0	**0.0**
Average number of major findings[2]	4.0	3.8	3.2	**3.0**

1 Scores are based on calendar year.
2 The average number of findings is calculated based on the total number of findings and total number of reports per calendar year.

8.0 EMS performance, objectives, and targets

8.0 EMS performance, objectives, and targets

FY 2024/25 EMS performance, objectives, and targets

Objectives	Metric/KPI	Target(s)	Status	Notes
Product aspects: Product energy consumption and emissions				
Drive reduction in product energy use.	Energy efficiency	Notebooks: By FY 2029/30, we will achieve 30% improvement in energy efficiency of Lenovo notebooks (on average for comparable products relative to FY 2018/19). Excludes gaming notebooks. Desktops: By FY 2029/30, we will achieve 50% improvement in energy efficiency of Lenovo desktops (on average for comparable products relative to FY 2018/19). Servers: By FY 2029/30, we will achieve 50% improvement in energy efficiency of Lenovo servers (on average for comparable products relative to FY 2018/19). Mobile Business Group (MBG) products: By FY 2029/30, we will achieve 30% improvement in energy efficiency of Lenovo MBG products (on average for comparable products relative to FY 2020/21).	Long term target: on track	Where new products do not belong in a sub-category a part of Lenovo's sub-targets, they default to the general energy efficiency improvement relative to the previous generation of the product. Exemption from targets may be requested if it can be clearly demonstrated that achieving the target places the product at a large price disadvantage against its competition or is not technically feasible.

Objectives	Metric/KPI	Target(s)	Status	Notes
Drive product emissions reductions from use of sold products.	GHG emissions	Reduce Scope 3 GHG emissions (value chain) from use of sold products ~35% on average for comparable product by FY 2029/30 from a FY 2018/19 base year.	Long term target: on track	
Quantify lifecycle CO_2e emissions and environmental footprints associated with the use of Lenovo products.	Product Carbon Footprint (PCF) (kg CO_2e)	Ensure product carbon footprint is published for all new Lenovo products.	Target met	Calculated for products for which a Product Attribute to Impact Algorithm (PAIA) tool exists.
Quantify lifecycle CO_2e emissions and environmental footprints associated with the use of Lenovo products.	PCF (kg CO_2e) and the other environmental footprints	Optimize Lenovo Life-Cycle Assessment (LCA) platform, study, and phase-in LCA solutions in FY 2024/25.	Target met	
		Perform LCA for at least fifteen selected Lenovo products and materials or technologies in FY 2024/25.	Target met	

Objectives	Metric/KPI	Target(s)	Status	Notes
Product aspects: Product materials				
Products contain recycled material. Recycled material includes: • Post-consumer recycled content (PCC) • Ocean bound plastic (OBP) • Recycled metal	% products containing PCC	By FY 2025/26, 100% of PC products will contain post-consumer recycled content materials.	Long term target: on track	Excludes tablets and accessories.
	PCC plastic weight	By FY 2025/26, we will use 300 million pounds of post-consumer recycled content plastics in our products.	Long term target: on track	Cumulative total since 2005.
	% products containing higher PCC/ number products containing higher PCC	In FY 2024/25, at least one product per category needs to meet PCC content by weight levels as follow: Desktops/Workstation 45%, All In One 50%, Notebooks 20%, Tablet 15%, Visual 85%, Servers 10%, and Smartphones 10%	Target met	
Monitor and respond to market requirements in this area to maintain portfolio relative to low halogen parts. Definitions: BFR – Brominated flame retardants PVC – Polyvinyl chloride PPM – parts per million	Low halogen parts	By FY 2025/26, 100% of smartphone products and accessories will be free of PVC and BFR.	Long term target: on track	Controlled at 1,000 ppm.

Objectives	Metric/KPI	Target(s)	Status	Notes
Product aspects: Packaging				
Minimize packaging material consumption while driving the use of sustainable materials.	Weight or volume reduction	Achieve 5% reduction in weight or volume for at least 1 product.	Target partially met	Compared to the packaging of the previous generation of the product.
	Plastic elimination	Eliminate 100,000 km of single use plastic packaging tape by FY 2025/26.	Long term target: on track	Cumulative starting from 2018.
		Expand plastic-free packaging to Moto G Plus Products.	Target met	
Increase sustainable materials in packaging.	% Recycled content or sustainable material	Expand Ocean Bound Plastic (OBP) material usage from bag to cushion (containing 30% OBP) for 1U servers.	Target met	1U models include SR630 v2/v3, SR645 v3, and SR635 v3.
		Identify five additional Lenovo products for which to implement use of 100% renewable bio-based packaging.	Target met	
		By FY 2025/26, 60% of smartphone packaging will be made from recycled materials.	Long term target: on track	Excludes Lenovo smartphone packaging. Includes motorola razr smartphone packaging starting in FY 2023/24.
		By FY 2025/26, 90% of PC products plastic packaging will be made from recycled materials.	Long term target: on track	Measured by weight and excludes tablets, accessories, and monitors.
		By FY 2025/26, smartphone packaging will use 50% less single-use plastics and reduce in size/volume by 10%.	Long term target: on track	Relative to FY 2020/21. Excludes Lenovo smartphone packaging. Includes motorola razr smartphone packaging starting in FY 2023/24.

Objectives	Metric/KPI	Target(s)	Status	Notes
Location aspects: Site air emissions				
Absolute reduction in CO_2e emissions from Lenovo operations worldwide.	Scope 1 and 2 GHG emissions (metric tons CO_2e)	Reduce absolute Scope 1 and 2 GHG emissions by 50% by FY 2029/30 from a FY 2018/19 base year.	Long term target: on track	This goal may be accomplished through energy efficiency, installation of onsite renewable generation, entry into power purchase agreements (PPA) with power providers, and/or the purchase of renewable energy commodities. Scope 2 emissions are market-based.

Objectives	Metric/KPI	Target(s)	Status	Notes
Location aspects: Site energy consumption				
Maximize energy efficiency and minimize CO_2e emissions associated with the development, manufacturing and delivery of Lenovo products.	% total electricity from renewable energy sources	By FY 2025/26, 90% of our global operations' electricity will be obtained from renewable sources.	Long term target: on track	This goal may be accomplished through installation of onsite renewable energy generation, entry into power purchase agreements (PPA) with power providers and/or the purchase of renewable energy credits.
	Energy consumption in kWh per production volume	Achieve year-over-year improved energy intensity index at manufacturing sites globally, relative to the previous FY.	Target met	Energy intensity index is energy consumption in kWh per production volume.
	Electricity consumption in kWh per person	Achieve year-over-year improved electricity intensity at R&D and office sites globally, relative to the previous FY.	Target partially met	Electricity intensity is electricity consumption in kWh per person.

Objectives	Metric/KPI	Target(s)	Status	Notes
Location aspects: Waste management				
Minimize environmental impacts associated with solid waste generated from Lenovo operations and products.	% non-hazardous solid waste recycled	Maintain a global non-hazardous waste recycling rate > 90% (+/-5%).	Target met	Percent of non-hazardous solid waste disposed of through reuse, recycling, or composting. Does not include incineration with energy recovery.

Objectives	Metric/KPI	Target(s)	Status	Notes
Location aspects: Water management				
Minimize environmental impacts associated with water withdrawal from Lenovo operations and products.	Water withdrawal in metric tons per capita	Achieve reduction of 1.8 metric tons in water withdrawal per capita at manufacturing sites globally by FY 2029/30.	Long term target: on track	Relative to a base year of FY 2018/19. Excludes service and repair sites.

Objectives	Metric/KPI	Target(s)	Status	Notes
Supply chain aspects: Product end-of-life management				
Minimize the environmental impact of Lenovo products at end of life.	Recycle, repair, and reuse Lenovo products and parts	By FY 2025/26, we will have enabled the recycling and reuse of 800 million pounds (362,874 MT) of end-of-life products.	Long term target: on track	Cumulative total since 2005.
		By FY 2025/26, 84% of repairs can be done at the customer site, without having to send their PC to a service center.	Long term target: on track	Excludes Android tablets and visuals.
		By FY 2025/26, 76% of repairable PC parts returned to our service center will be repaired for future use.	Long term target: on track	Measured by value.

Objectives	Metric/KPI	Target(s)	Status	Notes
Supply chain aspects: Supplier environmental performance				
Monitor and mitigate environmental impact in the Lenovo supply chain, and drive to improve suppliers' environmental management.	Product suppliers' GHG emissions reduction/ removal	By FY 2025/26, we will remove one million tons of greenhouse gas emissions from our supply chain.	Long term target: off track	Relative to FY 2018/19 measured emissions. A corrective plan is being implemented to enhance progress.
	Emissions (Scope 3) from purchased goods and services per million US$ gross profit	Reduce Scope 3 GHG emissions (supply chain) from purchased goods and services 66.5% per million US$ gross profit by FY 2029/30 from a FY 2018/19 base year.	Long term target: on track	
	Product suppliers' renewable energy usage	Engage in a total of 35 product suppliers to source 1/3 of energy from renewable sources for Lenovo-related businesses.	Target met	
	CDP Climate Change or Water Security Questionnaire response rate	Achieve 95% of Lenovo product suppliers based on procurement spend to respond to CDP Climate Change questionnaire.	Target met	
	Suppliers' SBT participation	Achieve 52% of Lenovo product suppliers based on procurement spend to commit/have science-based emission reduction targets.	Target partially met	

Objectives	Metric/KPI	Target(s)	Status	Notes
Supply chain aspects: Transportation				
Drive collaborative environmental efforts in Lenovo's global logistics.	Demand management	Implement two route optimization or weight reduction initiatives.	Target met	Geographical segments: AG – Americas AP – Asia Pacific EMEA – Europe, Middle East, Africa
	Modes of transport	Enable five low-carbon modes of transport for shipments in Lenovo's business groups.	Target met	
	Fleet and asset utilization and efficiency	Improve fleet and utilization rate in ISG and IDG business groups for the geographical segments of AP, EMEA, and AG.	Target met	
	Scope 3 GHG emissions from upstream transportation and distribution	Reduce Scope 3 GHG emissions from upstream transportation and distribution 25% per tonne-km of transported product by FY 2029/30 from a FY 2018/19 base year.	Long term target: on track	

While Lenovo seeks to establish consistent reporting of objectives and targets, we reassess and adjust them periodically as part of our EMS continuous improvement process with the aim to drive dynamic growth year over year in compliance with evolving customers, standards, and other external requirements. We are encouraged by our successes and progress and recognize that there is more to be done. As we look ahead, we aim to drive environmental improvements through the FY 2025/26 EMS targets.

9.0 Long-term KPI progress

9.0 Long-term KPI progress

Long-term ESG key performance indicators (KPI)

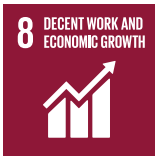
Lenovo is advancing its ESG program with long-term KPIs developed in FY 2021/22 to further its support of the United Nations Global Compact (UNGC) Sustainable Development Goals (SDGs). Lenovo will measure and report on its progress each year.

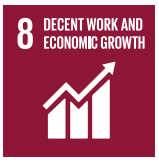
Environmental

KPI type	Commitment	KPI	Progress through FY 2024/25	UNGC SDG
Climate change mitigation	Lenovo has set aggressive, science-based greenhouse gas emission reduction goals.[1]	By FY 2025/26, 90% of our global operations' electricity will be obtained from renewable sources.[2]	Long term target: on track	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
		By FY 2025/26, we will remove one million tons of greenhouse gas emissions from our supply chain.[3]	Long term target: off track	
		By FY 2029/30, we will achieve 50% improvement in energy efficiency of Lenovo desktops[4] and servers.[4]	Long term target: on track	
		By FY 2029/30, we will achieve 30% improvement in energy efficiency of Lenovo notebooks[4] and Motorola products.[5]	Long term target: on track	
Circular economy	Lenovo is transitioning to a circular economy through innovations in our supply chain, product design and services.	By FY 2025/26, 84% of repairs can be done at the customer site, without having to send their PC to a service center.[6]	Long term target: on track	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 15 LIFE ON LAND
		By FY 2025/26, 76% of repairable PC parts returned to our service center will be repaired for future use.[7]	Long term target: on track	
		By FY 2025/26, we will have enabled the recycling and reuse of 800 million pounds of end-of-life products.[8]	Long term target: on track	

KPI type	Commitment	KPI	Progress through FY 2024/25	UNGC SDG
Sustainable materials	Lenovo is focused on integrating sustainable materials and minimizing waste through innovative product and packaging design.	By FY 2025/26, 100% of PC products will contain post-consumer recycled content materials.[9]	Long term target: on track	   
		By FY 2025/26, we will use 300 million pounds of post-consumer recycled content plastics in our products.[10]	Long term target: on track	
		By FY 2025/26, 100% of smartphone products and accessories will be free of PVC and BFR.[11]	Long term target: on track	
		By FY 2025/26, 90% of PC products plastic packaging will be made from recycled materials.[12]	Long term target: on track	
		By FY 2025/26, smartphone packaging will use 50% less single-use plastics and reduce in size/volume by 10% and 60% of smartphone packaging will be made from recycled materials.[13]	Long term target: on track	

Social

KPI type	Commitment	KPI	Progress through FY 2024/25	UNGC SDG
Inclusion	Lenovo believes smarter technology for all means everyone. If we truly want to innovate for society, we must design products and solutions that are inclusive of our global customers' needs.	By FY 2025/26, we aspire to grow the global representation of women in executive roles to 27% (from 21% in 2020).[14]	Long term target: on track	  
		By FY 2025/26, we aspire to grow the representation of executives in the US from historically underrepresented ethnic and racial groups to 35% (from 29% in 2020).[14]	Long term target: off track	
		By FY 2025/26, 75% of Lenovo's products will be vetted by inclusive design experts to ensure they work for everyone, regardless of physical attributes or abilities.	Long term target: on track	

KPI type	Commitment	KPI	Progress through FY 2024/25	UNGC SDG
Philanthropy	Lenovo philanthropy provides smarter technology for all by empowering underrepresented communities with access to technology and STEM education.	By FY 2025/26, Lenovo philanthropy will impact 15 million lives and transform one million lives through philanthropic programs and partnerships.	Long term target: on track	  
		By FY 2025/26, Lenovo philanthropy will engage one in four employees in its charitable programs (volunteerism and matching gifts).[14, 15]	Long term target: on track	

Governance

KPI type	Commitment	KPI	Progress through FY 2024/25	UNGC SDG
Corporate governance	Lenovo is focused on building a long-term, sustainable business that reflects our vision of smarter technology for all. Lenovo is focused on integrating ESG priorities into our day-to day operations.	We continue to hold regular ESG Executive Oversight Committee meetings to include the interests of the business in ESG strategy discussions, assess the progress of our ESG initiatives, and evaluate the continued relevancy of our programs to Lenovo's long term business strategy.	Long term target: on track	
		We continue to propose recommendations to senior leadership regarding effective management of ESG risks and programs.	Long term target: on track	
		We continue to provide regular updates on ESG topics to the Board of Directors.	Long term target: on track	
Ethics	Lenovo fosters a culture that strives to attain the highest standards of ethical business conduct and compliance with all laws and regulations wherever it operates.	We continue to advance our global ethics and compliance program through program and training enhancements.	Long term target: on track	
		Through FY 2025/26 and beyond, we will obtain recognition for leadership in this area.	Long term target: on track	

KPI type	Commitment	KPI	Progress through FY 2024/25	UNGC SDG
Privacy	Lenovo commits to continuously improve its privacy program.	Through FY 2025/26 and beyond, we will improve customer experience by making it easier for customers to request their personal information and by improving the speed in which Lenovo respond to these requests.	Long term target: on track	 
		Through FY 2025/26 and beyond, we will improve the management and accountability of privacy impact assessments and pre-launch privacy compliance reviews.	Long term target: on track	
		Through FY 2025/26 and beyond, we will enhance existing training materials and continue to deliver privacy-focused training programs to Lenovo employees.	Long term target: on track	

1 Our goals support our emissions reduction targets, which were approved by the Science Based Targets initiative (SBTi).
2 May be accomplished through installation of onsite renewable energy generation, entry into power purchase agreements (PPA) with power providers and/or the purchase of renewable energy credits.
3 Relative to FY 2018/19 measured emissions.
4 Energy efficiency improvement on average for comparable products relative to FY 2018/19. Excludes gaming notebooks.
5 Energy efficiency improvement on average for comparable products relative to FY 2020/21.
6 Excludes Android tablets and visuals.
7 Measured by value.
8 Cumulative total since 2005.
9 Excludes tablets and accessories.
10 Cumulative total since 2005.
11 Controlled at 1,000 ppm.
12 Measured by weight and excludes tablets, accessories, and monitors.
13 Relative to FY 2020/21. Excludes Lenovo smartphone packaging. Includes motorola razr smartphone packaging starting in FY 2023/24.
14 Includes Lenovo regular employees only. Excludes contractors, third-party or contracted consultants and vendors, and interns.
15 Engagement is defined to include both unique number of employees engaged and total instances of employee engagement, and considers data measurement capabilities.

10.0 Appendix

10.0 Appendix

FY 2024/25 memberships and associations

Associations

- Bluetooth Special Interest Group (SIG)
- Consumer Technology Association (CTA)
- DIGITAL EUROPE
- Electronic Product Stewardship Canada (EPSC)
- Information Technology Industry Council (ITI)
- Mobile & Wireless Forum (MWF)
- The Rechargeable Battery Association (PRBA)
- Radio Equipment Directive Compliance Association (REDCA)
- Responsible Business Alliance (RBA)

Programs, workgroups, and global initiatives

- CDP Climate Change and Water Security
- CHWMEG
- Circular Electronics Partnership
- ECMA – 370 • The Eco Declaration Standard
- EcoVadis
- Global Logistics Emissions Council (GLEC)
- Global Recycling Programs, such as Call2Recycle (specific programs vary by jurisdiction and product)
- Global Reporting Initiative (GRI)
- Hong Kong Stock Exchange ESG Reporting Guide
- International Special Committee on Radio Interference (CISPR)
- Responsible Factory Initiative
- Responsible Labor Initiative
- Responsible Minerals Initiative
- Responsible Recycling (R2)
- Science Based Targets Network's Corporate Engagement Program
- Telecommunications Certification Body Council (TCB Council)
- United Nations CEO Water Mandate
- United Nations Global Compact (UNGC)
- United Nations Global Compact's Forward Faster Initiative
- U.S. EPA's Green Power Partnership
- U.S. EPA's SmartWay

International standards

- IECEE/PSC
- IEC/TC 108
- IEC/TC 111
- IEC/TC 124
- IEC/CISPR/I
- IEC/SyC/M
- IEEE 1680.1 Standard for Environmental and Social Responsibility Assessment of Computers and Displays (part of EPEAT program)
- IEEE SA
- ISO 9001:2015 Quality Management System
- ISO 14001:2015 Environmental Management System
- ISO 27001:2013 and ISO 27001:2022 Information Security Management System
- ISO 45001:2018 Occupational Health and Safety Management
- ISO 50001:2018 Energy Management System
- ISO/IEC JTC 1/SC 39
- ISO/TC 176
- ISO/TC 184
- Leadership in Energy and Environmental Design (LEED)
- NSF/ANSI 426 Environmental Leadership and Corporate Social Responsibility Assessment of Servers (part of EPEAT program)
- Product Attribute to Impact Algorithm (PAIA) Project
- TCO Certified

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

- Alliance for High Quality and Green Development of Information and Communication Technology Industry
- China Electronic Energy Saving Technology Association
- China Energy Conservation Program (CECP)
- China Environmental Labeling Product (CELP)
- China Medium and Low Temperature Solder Association
- China MIIT EPR (extended producer responsibility) Recycling Pilot Project
- China National Resources Recycling Association
- China RoHS Standard Working Group
- Energy Saving Work Association of the Chinese Institute of Electronics
- Green Manufacturing Association of China
- Institute of Public and Environmental Affairs
- PC+ China Energy Label (CEL)
- SAC TC297
- SAC TC207
- Smart Freight Shippers Alliance

Scope of the report

The contents of this report apply to Lenovo Group Limited (HKD counter stock code: 992 / RMB counter stock code: 80992) (the Company), together with its principal Lenovo-branded and Motorola-branded subsidiaries. Where certain topics also include other principal subsidiaries, it is explained below. The scope of Lenovo's material topics and their boundaries within its value chain are detailed in the table below.

	Product development	Supply chain	Manufacturing	Sales & marketing	Distribution	Use/End of life	ESG report scope of coverage	Explanation of scope changes from FY 2023/24
Environment								
Emissions/Climate change	●	●	●	●	●	●	Lenovo, Motorola Mobility, LCFC, Medion, NEC PC, FCCL	No change
Energy	●	●	●	●	●	●	Lenovo, Motorola Mobility, LCFC, Medion, NEC PC, FCCL	No change
Product packaging and materials	●	●	●	●	●	●	Lenovo, Motorola Mobility, LCFC	No change
Waste/Recycling	●	●	●	●		●	Lenovo, Motorola Mobility, LCFC, Medion, NEC PC, FCCL	No change
Water	●	●	●	●			Lenovo, Motorola Mobility, LCFC, Medion, NEC PC, FCCL	No change
Social								
Community/Philanthropy	●		●	●	●	●	Lenovo, Motorola Mobility	No change
Inclusion	●	●	●	●	●		Lenovo, Motorola Mobility	No change
Human rights	●	●	●	●			Lenovo and Motorola Mobility are fully incorporated into Lenovo's corporate programs in this area.	No change
Safety	●	●	●	●	●	●	Lenovo, Motorola Mobility, LCFC and NEC PC	No change
Training & development	●		●	●			Lenovo, Motorola Mobility	No change
Employee representation	●		●	●			Lenovo, Motorola Mobility, NEC PC, and LPS for all metrics except noted otherwise. Number of employees, Percentage of employees by region, and Percentage of employees by workforce representation metrics also include Sunny IT, FCCL, Medion, LCFC, and Net App.	Added LPS except for pay equity data. For pay equity data, coverage was refined to include entities with comparable compensation policies and excluded LPS.
Governance								
Economic performance	●	●	●	●	●	●	See the FY 2024/25 Annual Report's Notes to the financial statements	No change
Ethics/Integrity	●	●	●	●	●	●	Lenovo and Motorola Mobility are fully incorporated into Lenovo's corporate programs in this area.	No change
Data privacy/Security	●	●	●	●		●	Lenovo, Motorola Mobility	No change
Product quality	●	●	●	●		●	Lenovo, Motorola Mobility, LCFC	No change
Regulatory/Compliance	●	●	●	●	●	●	Lenovo, Motorola Mobility, LCFC	No change
Innovation	●	●	●	●	●	●	Lenovo, Motorola Mobility	No change

Supplemental climate-related disclosures

Lenovo discloses the following supplemental climate-related information as it continues to enhance its reporting in response to a rapidly evolving ESG reporting landscape. These disclosures are based on the best available information at the time of the report's publication. Disclosures in subsequent reports will reflect any improved reporting practices.

Governance

Lenovo implements governance process, controls, and procedures to monitor, manage, and oversee climate-related risks and opportunities. Detailed information can be viewed in ESG governance.

Risk management and strategy

Lenovo has identified relevant climate-related physical and transition risks, and an opportunity through its risk management practices including the use of a climate-related scenario analysis. Additional information on the process Lenovo uses to identify, assess, prioritize, and monitor climate-related risks and opportunities can be viewed in Climate change risks and opportunities and management and ESG governance. Lenovo also has a climate transition plan in response to climate-related risks and opportunities. View here for Lenovo's most recent climate transition plan.

Lenovo performed exploratory scenario analysis using the GeSI-CDP Scenario Analysis Toolkit which is based on TCFD's requirements and guidance. Lenovo selected four climate scenarios shown below. The 1.5°C or lower scenario aligns with the Paris Agreement, which is the latest international agreement on climate change.

The inputs and approach of the climate-related scenario analysis are as follow:

Scope of analysis

Company-wide scope

Scenarios used and sources – Physical and transition risks

1.5°C or lower: IPCC Report on 1.5°C and SSP1
2°C – 2.4°C: IEA 450 and RCP 2.6-4.5
2.5°C – 2.9ºC: IEA INDC Scenario and RCP 6
4.0°C or above: IEA WEO New Policies and RCP 8.5.

The scenarios developed take references from IPCC and IEA. The scenarios ranging from relatively aggressive to conservative climate mitigation assumptions help Lenovo assess the level of impact from physical and transition risks, and support Lenovo's future strategic planning. For the temperature alignment of 1.5°C or lower scenario, it is aligned with Lenovo's 2050 net-zero target, and its business strategy and financial planning.

Time horizons

Short term: 0-1 year
Medium term: 2030
Long term: from 2050

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

Assumptions

- Analysis conducted in FY 2024/25, with no expected significant changes on business operation over the time horizons above.

Key assumptions made in each scenario analysis and areas of uncertainty related to each time horizon include emissions level, physical impact, global policy response, technological impacts, population, economics, carbon price, energy demand, energy mix, and technology investment.

The identified climate-related risks and opportunity are as follow:

Risk: Non-compliance with legislation

Lenovo identified non-compliance with legislation as a climate-related transition risk in the medium term. The risk is more prominently associated with product and reporting non-compliance. Expanding and rapidly evolving environmental regulations requiring additional management, tracking, and reporting of climate-related information may lead to increased stress on existing resources and rising expenses. The potential added operational and financial burden may indirectly increase the risk of inadvertent non-compliance with legislation. Lenovo has multiple mechanisms in place to address this risk including robust corporate governance including ESG governance, product quality management practices, and risk management and internal control processes. Details can be viewed here:

- Management's discussion & analysis on legal, regulatory, and compliance risk, and corporate governance report in FY 2024/25 Annual Report
- Product quality management
- ESG governance

For current year, expenses related to addressing this risk were incurred included costs related to participation in trade organizations that help track emerging ESG regulations and engaging external consultancies. These expenses pertained to various environmental matters in addition to climate change. As such, the financial impact directly tied to addressing this risk was not quantifiable. Lenovo continues to refine its ability to separately track expenses more directly attributable to addressing climate-related risks. These expenses are vulnerable to change, and the likelihood and magnitude of change could be influenced by multiple factors including increasing regulatory requirements and evolving consumer preferences.

Risk: Changing customer behavior
Opportunity: Develop new products and services through R&D and innovation

Lenovo identified changing customer behavior as a climate-related transition risk in the short term. Lenovo recognizes risks associated with climate-related effects on broad-based economic considerations including product demand, pricing, and consumer spending. Lenovo observed customer behavior changes toward more environmentally conscious products. Without taking into consideration these customer behavior changes in product and service development process could potentially lead to risks such as decreased revenue or lowered demand of Lenovo products.

Corresponding to the aforementioned risk, Lenovo identified development of new products and services as a climate-related opportunity in the short term. 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 has multiple mechanisms in place to address this risk and opportunity including innovating and embedding environmental considerations in its products. Details can be viewed here:

- Innovation
- Environmentally conscious products

For current year, expenses related to addressing this risk and opportunity were incurred included costs related to obtaining eco-labels and certifications such as EPEAT, TCO, and ENERGY STAR®.

The expenses were not separately identifiable to this climate-related risk and opportunity specifically as they were not solely related to nor attributable to responding to the risk and opportunity. As such, the financial impact directly tied to addressing this risk and opportunity were not quantifiable. These expenses are aligned with the identified opportunity and are vulnerable to change. The change and its likelihood and magnitude could be influenced by multiple factors including emerging standards, available and obtainable certifications, and evolving stakeholder expectations and preferences.

Risk: Severe weather events

Lenovo identified severe weather events as an acute climate-related physical risk in the medium term. The majority of Lenovo's suppliers have operations within China, therefore, the multiple basins across China present potential risks to these operations. Depending on the severity and location of an extreme weather event, it could impact Lenovo's supply chain and production capacity by causing delays or decreases in component supply to Lenovo products. Lenovo has multiple mechanisms in place to address this risk including implementing efforts that specifically address supply chain resilience and managing supply or production geographical concentration. Details can be viewed here:

- Supply chain resilience
- Management's discussion & analysis on operational risks in FY 2024/25 Annual Report

For current year, approximated flood insurance premium expenses of $400,000, representing less than 0.5 percent of total administrative expenses, were incurred related to this risk. Flood insurance premium expenses are vulnerable to change. The change and its magnitude and likelihood could be influenced by multiple factors including varying risk exposure and change in frequency and severity of extreme weather.

Overall current and anticipated impacts

The aforementioned current and anticipated impacts of identified risks and opportunity are considered a part of normal business operations and are expected to remain stable, Lenovo does not expect nor is aware of any relevant significant changes in the short, medium, and long term, to its financial position, financial performance, and cash flows including investment and disposal plans, and Lenovo's strategy related thereto. Lenovo's ongoing efforts including financial resources towards developing more sustainable products, building and maintaining a robust and resilient supply chain, ensuring a business continuity plan is in place, and monitoring emerging regulations are a part of usual business with no separately identifiable portion allocated to addressing climate-related risks and opportunities specifically.

Metrics and targets

Lenovo's gross GHG emissions can be viewed in Section 7.0, and Science-Based Targets in Section 3.0 where near-term targets represent gross targets and long-term target represents net target. Information in aforementioned sections covers greenhouse gases including N_2O, CO_2, CH_4, SF_6, NF_3, FCs, and HFCs. The targets were not derived using a sectoral decarbonization approach. Lenovo does not currently plan on using carbon credits to offset near-term GHG emissions targets. Lenovo is currently exploring application of internal carbon pricing to its business practices including decision-making and continues to monitor for opportunities for its usage.

GRI content index

Statement of use	Lenovo has reported the information cited in this GRI content index for the period April 1, 2024 to March 31, 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Page number(s)	Other reference material(s)
GRI 2: General Disclosures 2021	**Organizational profile**		
	2-1 Organizational details	13	
	2-2 Entities included in the organization's sustainability reporting	12, 130	
	2-3 Reporting period, frequency and contact point	12	
	2-4 Restatements of information	No restated information	
	2-5 External assurance	12	
	2-6 Activities, value chain and other business relationships	13, 130	
	2-7 Employees	93	
	2-22 Statement on sustainable development strategy	6-9	
	2-27 Compliance with laws and regulations	108	
	2-28 Membership associations	129	
	2-29 Approach to stakeholder engagement	13-15	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	13-15	
	3-2 List of material topics	14	
Economic topics			
Economic Performance			
GRI 3: Material Topics 2021	3-3 Management of material topic	62-65	
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	23, 131-133	FY 2024/25 Annual Report's Management's discussion & analysis
Procurement Practices			
GRI 3: Material Topics 2021	3-3 Management of material topic	62-65	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	23, 131-133	

GRI Standard	Disclosure	Page number(s)	Other reference material(s)
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topic	66, 70-71	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	66, 70-71	
Anti-competitive Behavior			
GRI 3: Material Topics 2021	3-3 Management of material topic	66, 70-71	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	66, 70-71	
Environmental topics			
Materials			
GRI 3: Material Topics 2021	3-3 Management of material topic	19, 28-30, 35-38	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	106-107	
	301-2 Recycled input materials used	28-30, 35-36, 106-107	
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topic	19-25	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	102	
	302-3 Energy intensity	103	
	302-4 Reduction of energy consumption	19-25	
	302-5 Reductions in energy requirements of products and services	31-34	
Water and Effluents			
GRI 3: Material Topics 2021	3-3 Management of material topic	19, 27	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	27	
	303-3 Water withdrawal	105	
	303-4 Water discharge	105	
	303-5 Water consumption	105	
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topic	19-25	

GRI Standard	Disclosure	Page number(s)	Other reference material(s)
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	99	
	305-2 Energy indirect (Scope 2) GHG emissions	99	
	305-3 Other indirect (Scope 3) GHG emissions	99	
	305-4 GHG emissions intensity	99	
	305-5 Reduction of GHG emissions	20-23, 99	
	305-6 Emissions of ozone-depleting substances (ODS)	23	
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topic	19, 26, 28-30, 33-38	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	26, 28-30, 33-38	
	306-2 Management of significant waste-related impacts	26, 28-30, 33-38	
	306-3 Waste generated	104	
	306-4 Waste diverted from disposal	104	
	306-5 Waste directed to disposal	104	
Supplier Environmental Assessment			
GRI 3: Material Topics 2021	3-3 Management of material topic	80-87, 109-110	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	80-87, 109-110	
	308-2 Negative environmental impacts in the supply chain and actions taken	80-87, 109-110	

GRI Standard	Disclosure	Page number(s)	Other reference material(s)
Social topics			
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topic	42-52, 56-59	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	95, 96	
Occupational Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topic	43-46	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	43-46	
	403-2 Hazard identification, risk assessment, and incident investigation	43-46	
	403-4 Worker participation, consultation, and communication on occupational health and safety	43-46	
	403-5 Worker training on occupational health and safety	43-46, 97	
	403-6 Promotion of worker health	43-46	
	403-9 Work-related injuries	97	
	403-10 Work-related ill health	97	
Training and Education			
GRI 3: Material Topics 2021	3-3 Management of material topic	48-49	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	97	
	404-2 Programs for upgrading employee skills and transition assistance programs	48-49	
Diversity and Equal Opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topic	56-59	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	93-95	

GRI Standard	Disclosure	Page number(s)	Other reference material(s)
Forced or Compulsory Labor			
GRI 3: Material Topics 2021	3-3 Management of material topic	42, 80-85, 86-87	Supplier Code of Conduct RBA Code of Conduct Human Rights Policy
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	42, 80-85, 86-87	Supplier Code of Conduct RBA Code of Conduct Human Rights Policy
Local Communities			
GRI 3: Material Topics 2021	3-3 Management of material topic	52-55, 98	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	52-55, 98	
Supplier Social Assessment			
GRI 3: Material Topics 2021	3-3 Management of material topic	80-85, 86-87, 109-110	
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	80-85, 86-87, 109-110	
Customer Privacy			
GRI 3: Material Topics 2021	3-3 Management of material topic	67-68	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	67-68	

The Hong Kong Stock Exchange's ESG Reporting Guide content index

"Comply or explain" Provisions		Page number(s)	Other reference material(s)
Subject Area A. Environmental			
Aspect A1: Emissions			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and nonhazardous waste. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.		19-27	
KPI A1.1	The types of emissions and respective emissions data.	99-100	
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	99	
	– Scope 1 emissions	99-100	
	– Scope 2 emissions	99-100	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	104	
KPI A1.4	Total nonhazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	104	
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	19-26, 31-34, 113-114, 117, 119-120, 123, 126	
KPI A1.6	Description of how hazardous and nonhazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	19, 26, 28-30, 33-38, 115-116, 118-119, 123, 124, 126	

"Comply or explain" Provisions		Page number(s)	Other reference material(s)
Aspect A2: Use of Resources			
General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.		19-38	
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	102-103	
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	105	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	19, 24-25, 31-33, 113, 117, 119, 123, 126	
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	27, 118, 126	
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	106	
Aspect A3: The Environment and Natural Resources			
General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.		19-39	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	19-39, 113-120, 123-124, 126	
Aspect A4: Climate Change			
General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		19-23, 131-133	
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	19-23, 131-133	

"Comply or explain" Provisions		Page number(s)	Other reference material(s)
Subject Area B. Social			
Employment and Labour Practices			
Aspect B1: Employment			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		42-52, 56-59	
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	93	
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	96	
Aspect B2: Health and Safety			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		42-46	
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	97	
KPI B2.2	Lost days due to work injury.	97	
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	42-46	

"Comply or explain" Provisions		Page number(s)	Other reference material(s)
Aspect B3: Development and Training			
General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.		48-49	
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	96	
KPI B3.2	The average training hours completed per employee by gender and employee category.	97	
Aspect B4: Labour Standards			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		42, 86-87	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	42, 86-87	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	42, 86-87	
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure Policies on managing environmental and social risks of the supply chain.		80-90	
KPI B5.1	Number of suppliers by geographical region.	109	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	80-90	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	80-90	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	80-90	

"Comply or explain" Provisions		Page number(s)	Other reference material(s)
Aspect B6: Product Responsibility			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		71-74	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	73	
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	71-74	Due to confidential business constraints, Lenovo does not disclose the quantitative results of product or service-related complaints.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	67	
KPI B6.4	Description of quality assurance process and recall procedures.	71-74	
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	67-68	
Aspect B7: Anti-corruption			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		66	
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	108	
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	70-71	
KPI B7.3	Description of anti-corruption training provided to directors and staff.	66, 108	

"Comply or explain" Provisions		Page number(s)	Other reference material(s)
Community			
Aspect B8: Community Investment			
General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		52-55	
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	52-53, 98	
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	52-53, 98	

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