

W0. Introduction

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W0.1

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**(W0.1) Give a general description of and introduction to your organization.**

Lenovo is a US\$62 billion revenue global technology powerhouse, ranked #171 in the Fortune Global 500, employing 77,000 people around the world, and serving millions of customers every day in 180 markets. Focused on a bold vision to deliver smarter technology for all, Lenovo has built on its success as the world’s largest PC company by further expanding into growth areas that fuel the advancement of ‘New IT’ technologies (client, edge, cloud, network, and intelligence) including server, storage, mobile, software, solutions, and services. This transformation together with Lenovo’s world changing innovation is building a more inclusive, trustworthy, and smarter future for everyone, everywhere. To find out more visit <https://www.lenovo.com>, and read about the latest news via our StoryHub.

Lenovo recognizes that water is a vital and shared resource and that water risks to businesses and communities will continue to increase as the global population grows and climate change affects the distribution and availability of water. While Lenovo has no significant wet processes, Lenovo is committed to continuing to provide adequate Water Access, Sanitation, and Hygiene (WASH) services for all the Company’s employees and any visitors at its workspaces around the world, as well as requiring its suppliers to maintain adequate WASH services for all their employees. Furthermore, Lenovo recognizes the importance of adequate quantities of sufficient quality water to our supply chain partners, especially the semiconductor industry. Given this, Lenovo maintains operational control of water use in its direct operations, while further studying the current and future water risks within its direct operations and value chain, and identifying opportunities for improved water management and water-related risk management.

Lenovo’s Corporate Policy on Environmental Affairs is supported by the Company’s ISO 14001 certified global Environmental Management System (EMS), which is key to the Company’s efforts to achieve results consistent with environmental leadership and ensures the Company is vigilant in protecting the environment across all of its operations worldwide. As part of Lenovo’s EMS, water use is tracked for the most critical locations wherever feasible, and an annual global water target is set. Lenovo also collects water use data from a subset of its suppliers. This water data includes supplier’s public water targets which gets incorporated into our supplier sustainability scorecard where it can be used to inform future business decisions. Additionally, Lenovo annually analyzes local water risks across its operations and supply chain using publicly available water risk tools and supporting this with actual experience and local knowledge. Lenovo has undertaken these activities to better position the Company to navigate climate change and the water risks and promote adequate clean water access for all. Lenovo recognizes the need to proactively mitigate water risks and foster water resiliency, and that this will require cooperation and collaboration across organizations and different parts of the economy. Lenovo will continue to monitor and improve water accounting and risk mapping within our operations and supply chain while investigating opportunities for greater stewardship and improved water security, including access to sufficient quantity and quality of water.

W0.2

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**(W0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date
Reporting year	April 1 2022	March 31 2023

W0.3

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**(W0.3) Select the countries/areas in which you operate.**

Argentina  
Australia  
Austria  
Belgium  
Brazil  
Bulgaria  
Canada  
Chile  
China  
Colombia  
Croatia  
Czechia  
Denmark  
Egypt  
Finland  
France  
Georgia  
Germany  
Greece  
Hong Kong SAR, China  
Hungary  
India  
Indonesia  
Ireland  
Israel  
Italy  
Japan  
Kazakhstan  
Kenya  
Lithuania  
Malaysia  
Mexico  
Morocco  
Netherlands  
New Zealand  
Norway  
Peru  
Philippines  
Poland  
Portugal  
Republic of Korea  
Romania  
Russian Federation  
Saudi Arabia  
Serbia  
Singapore  
Slovakia  
Slovenia  
South Africa  
Spain  
Sweden  
Switzerland  
Taiwan, China  
Thailand  
Turkey  
Ukraine  
United Arab Emirates  
United Kingdom of Great Britain and Northern Ireland  
United States of America  
Viet Nam

**W0.4**

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**(W0.4) Select the currency used for all financial information disclosed throughout your response.**

USD

**W0.5**

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**(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.**

Companies, entities or groups over which operational control is exercised

## W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

## W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Facilities - Small office locations	<p>In FY22/23, Lenovo operated 125 small offices. Lenovo generally considers small offices as offices with less than 100 employees, although some small offices may have more employees. In addition, Lenovo operated some retail locations in Asia. For small offices and retail locations, since the water use is quite small and accurate data is difficult to obtain, Lenovo does not require the collection and reporting of water use data. Accurate data may be difficult to obtain for these locations because Lenovo may not be metered uniquely by the landlord and often these locations share WASH facilities with other building tenants. Despite not being required, a few small office sites chose to voluntarily report partial water use data.</p> <p>This exclusion represents approximately 6.3% of Lenovo's global employee headcount which likely corresponds to 6.3% or less of Lenovo's total water use. A main use of the water at these sites is for WASH services.</p>
Activities - Rainwater collection	<p>A few Lenovo locations collect rainwater; however, the volume collected and used is not measured and reported and, therefore, rainwater is not included in this disclosure. It is estimated that rainwater collection makes up a very small percentage of water use (well under 5% globally).</p>
Activities - Dormitories	<p>Lenovo operates employee dormitories at one manufacturing facility. Water use at the Lenovo-operated dormitory is excluded from Lenovo's company-wide monitoring and thus are excluded from these disclosures except when discussing WASH services and RBA audits. A main use of the water at these dormitories is for WASH services.</p>
Facilities - Under Construction	<p>During the reporting period, Lenovo had new facilities under construction. Some water use occurred on site during construction activities, but this water use was not included in the data reported for FY22/23 in module W1. When the sites become operational, Lenovo will include them in reporting including within CDP Water responses.</p>

## W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	HK0992009065
Yes, a CUSIP number	526250105
Yes, a Ticker symbol	OTC: LNVGY
Yes, a Ticker symbol	HKD Counter Stock Code: 992
Yes, an ISIN code	US5262501050
Yes, a Ticker symbol	RMB Counter Stock Code: 80992

## W1. Current state

### W1.1

**(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.**

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Vital	<p>Direct-Lenovo has no significant wet processes in direct operations; therefore, human use is the primary use. Lenovo is committed to continuing to provide drinking water and sanitation in the workplace for its ~77,000 employees and, therefore, considers access to adequate quality and quantities of freshwater important to direct operations. Employees are key to the company's success and access to water is a basic human right it is committed to providing at all sites. Lenovo's workforce is globally distributed and with the recent increase in working from home, even on a local scale it is distributed, meaning risks are mitigated through diversification. If access to water became an issue at a particular site, Lenovo may experience higher water costs, need for an alternative source, or have to implement work from home for some to ensure access to sanitation and drinking water during the day. Lenovo anticipates dependency to remain constant; although the company may continue to experience organic growth and increases in headcount result in increases in total water use, Lenovo strives to reduce per person freshwater withdrawals through alternative water sources and efficiency measures where feasible.</p> <p>Indirect-Lenovo recognizes the criticality of sufficient and high quality water within its supply chain. Lenovo's products rely on semiconductors which require large volumes of Ultra-Pure Water. If access to sufficient quantities of quality water were disrupted for upstream semiconductor manufacturers, Lenovo could be affected by reduced or delayed delivery of essential product components or increases in their cost. Lenovo considers such indirect freshwater dependence vital because freshwater is required for the manufacture of a key component of its products. In the future, Lenovo expects dependency to remain constant.</p>
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	<p>Direct Use – [Primary Use] Lenovo currently uses small volumes of recycled water for domestic and landscaping purposes at locations where this option is available. [Why "Important" was selected] Lenovo recognizes use of recycled water as an important aspect to reducing its water risk exposure and impact on water resources. Without the ability to continue to incorporate recycled water into Lenovo's water use, freshwater withdrawals via municipal water purchases would have to increase at the detriment to Lenovo's overall water security. [Future Dependency] Lenovo expects future dependence of recycled water to remain steady or possibly increase as the Company encounters future opportunities to expand the use of recycled water at its facilities.</p> <p>Indirect Use – [Primary Use] Lenovo asks supply chain partners to report total water withdrawals and total recycled water volumes. Through this supplier reporting requirement, Lenovo knows that the Company's supply chain benefits from the use of recycled water. For example, one of Lenovo's biggest suppliers by spend is reusing water in cooling towers and scrubbers and one of its strategic partners is using lower quality water in data center cooling. [Why "Important" was selected] Without access to recycled/brackish water, value chain partners' freshwater withdrawals would increase to compensate which would indirectly affect Lenovo's overall water security; therefore, Lenovo considers the indirect dependence on recycled water to be important. [Future Dependency] In the future, indirect dependence on recycled/brackish water should remain the same or possibly increase as more supply chain partners incorporate the use of such water in efforts to decrease freshwater dependence.</p>

**W1.2**

**(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?**

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	100%	Monthly	Water withdrawal volumes are measured directly by meters wherever possible. Where a facility does not have a dedicated meter, it is estimated based on water withdrawals for the larger building and % of building occupancy. For a few large offices where no data is available from the larger building manager, Lenovo estimates based on headcount and monthly per person intensity at similar sites. The frequency of measurement corresponds to the frequency of utility invoices, most often monthly.	Water withdrawal volumes are measured or estimated for all sites in the reporting boundary. This includes all Lenovo's active manufacturing, R&D, and large offices. Lenovo tracks this data using UL 360 Sustainability Software (UL360). Semi-annually the data goes through two internal reviews. Annually, this data is audited by a third party. In FY22/23, the third party was TÜV SÜD.
Water withdrawals – volumes by source	100%	Yearly	At the end of the FY, data coordinators at all sites in Lenovo's reporting boundary are asked to provide their water withdrawal sources via the Company's UL 360 Sustainability Software (UL360). The data coordinators inputting the information into UL360 are familiar with the site operations and able to determine (measure) which sources applied to the site based on local site knowledge. The corporate role responsible for water then reviews this data.	Water withdrawal volumes by source are measured for all sites in the reporting boundary. This includes all Lenovo's active manufacturing, R&D, and large offices. Once per year was deemed sufficient because the sources are usually relatively constant throughout the year. This withdrawal source data was then applied to the withdrawal volume data to determine volumes per source type.
Entrained water associated with your metals & mining and/or coal sector activities - total volumes [only metals and mining and coal sectors]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	Yearly	Lenovo has two sites that directly withdrawal water from groundwater - a manufacturing site in Pondicherry, India and a large office located in Jaguariuna, Brazil. The method and frequency of measurement are determined by local requirements. At Lenovo's site in Pondicherry, influent is tested daily for pH, TDS, and appearance and annually by a third party lab. At Lenovo's site in Jaguariuna, influent is tested regularly by a third party for VOCs, organics, metals, pH, and other parameters.	Water withdrawal quality is measured at 100% of sites withdrawing raw water. All of Lenovo's other sites obtain their water from third parties who have treated raw water to specific standards. Even so, many of these sites do measure the quality of incoming water, but the method and frequency of measurement are determined by the site based on local context and requirements. For example, in China, incoming water quality is measured per local practice and requirements, and the monitoring program is handled by a third party.
Water discharges – total volumes	100%	Monthly	Water discharge volumes are measured directly by meters if possible. Where not measured by meters, water discharge volumes are estimated as 90-100% of withdrawals. The frequency of measurement corresponds to the frequency of utility invoices, most often monthly.	Water discharge volumes are measured or estimated for all sites in the reporting boundary. This includes all Lenovo's active manufacturing, R&D, and large offices. Lenovo tracks this data using UL 360 Sustainability Software (UL360). Semi-annually the data goes through two internal reviews. Annually, this data is audited by a third party. In FY22/23, the third party was TÜV SÜD.

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water discharges – volumes by destination	100%	Yearly	At the end of the FY, data coordinators at all sites in Lenovo's reporting boundary are asked to provide their discharge destinations via the Company's UL 360 Sustainability Software (UL360). The data coordinators inputting the information into UL360 are familiar with the site operations and able to determine (measure) which destinations applied to the site based on local site knowledge. The corporate role responsible for water then reviews the global data set.	Water discharge volumes by source are measured for all sites in the reporting boundary. This includes all Lenovo's active manufacturing, R&D, and large offices. Once per year was deemed sufficient because the destinations are usually relatively constant throughout the year. This discharge data was then applied to the discharge volume data to determine volumes per destination type.
Water discharges – volumes by treatment method	100%	Yearly	At the end of the FY, data coordinators at all sites in Lenovo's reporting boundary are asked to provide the highest level of treatment the site's water discharges received via UL360. The data coordinators inputting the information into UL360 are familiar with the sites and able to determine (measure) which treatment level applied to the site based on local site knowledge. The corporate role responsible for water then reviews the global data set.	Water discharge volumes by treatment level are measured for all sites in the reporting boundary. This includes all Lenovo's active manufacturing, R&D, and large offices. Once per year was deemed sufficient because the treatment levels are usually relatively constant throughout the year.
Water discharge quality – by standard effluent parameters	76-99	Yearly	The method and frequency of measurement are determined by local requirements. At Lenovo's manufacturing site in Pondicherry, India (Lenovo's only site discharging effluent to the environment), effluent is tested quarterly for: pH, TSS, BOD, COD, nitrogen, phosphorus, and fecal coliform. Lenovo has other sites, that although discharging to a third party measure its quality. For example, sites in China measure discharge annually for: COD, BOD, suspended solids, phosphorus, nitrogen, and pH.	The vast majority of sites send discharges to third parties for treatment. Even so, some locations do measure the quality of water discharges when they leave the site. During the reporting period, sites representing between 76 and 99% of Lenovo's total discharge regularly measured effluent parameters.
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not relevant	<Not Applicable>	<Not Applicable>	Emissions to water is not relevant to Lenovo because Lenovo does not directly emit any pollutants or contaminants to bodies of water. Over 99% of Lenovo's discharge is conveyed to third parties, such as landlords or municipal systems, for treatment and discharge. Less than 1% of discharge is managed directly by Lenovo; this occurs at Lenovo's manufacturing site in Pondicherry, India which operates an onsite sewage treatment plant and discharges the treated effluent to the garden on site. A third-party lab samples and tests the effluent at this site quarterly for the following parameters: pH at 25 degrees C, TSS, BOD at 27 degrees C for 3 days, COD, total nitrogen, total phosphorus, and fecal coliform.
Water discharge quality – temperature	Not relevant	<Not Applicable>	<Not Applicable>	Lenovo has not found temperature measurements of water discharges relevant at this time. Given that Lenovo's main water use is WASH services and not in any high heat processes, Lenovo's water discharges are assumed to be within ambient temperature ranges. Lenovo does not anticipate this becoming a relevant aspect in the future because, at this time, Lenovo does not plan to begin any high heat processes.
Water consumption – total volume	100%	Monthly	Lenovo's water consumption can be determined monthly using a water balance which considers the monthly water withdrawals and water discharges.	Because water withdrawal and discharge volumes are measured monthly at all sites in the reporting boundary, water consumption can be calculated monthly for 100% of the reporting boundary as the difference between the two measured values. This includes all Lenovo's active manufacturing, R&D, and large offices.
Water recycled/reused	76-99	Monthly	Volumes of recycled/reused water are measured directly by meters wherever possible. Where direct measurements aren't available, volumes are estimated – exact estimation methods vary by site and are particular to the specifics of the data that is available for the site.	100% of sites within Lenovo's reporting boundary are able to report recycled/reused water volumes if applicable to their location using the UL 360 Sustainability Software (UL360).
The provision of fully-functioning, safely managed WASH services to all workers	100%	Continuously	Lenovo provides fully functioning, safely managed WASH services at all company facilities. WASH services are managed and monitored continuously by internal local teams and externally verified through Responsible Business Alliance (RBA) audits at manufacturing locations every two years.	Lenovo recognizes WASH services as a human right and is committed to ensuring they are provided to all employees, contractors, and visitors at all locations; therefore, WASH services are regularly measured at 100% of Lenovo's locations.

## W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	1499	About the same	Increase/decrease in business activity	About the same	Increase/decrease in business activity	Lenovo's water use is directly related to the company's business activity – as business increases, more employees are on site using more water for WASH services. Lenovo considers within +/-5% to be about the same. Compared to previous reporting year, total withdrawal decreased by 4.3% likely due to a balance of steady business activity and a few water saving initiatives at select sites. Lenovo anticipates a similar trend to persist for the next five years.
Total discharges	1481	About the same	Change in accounting methodology	About the same	Increase/decrease in business activity	Lenovo considers within +/-5% to be about the same. Compared to previous reporting year, total discharge increased by 0.8% likely due to an increase in sites estimating water discharge to be closer to 100% of withdrawal (Lenovo's accounting methodology allows sites to estimate water discharge between 90-100% of withdrawals when measurements are not available). Lenovo anticipates a similar trend to persist for the next five years.
Total consumption	18	Much lower	Change in accounting methodology	About the same	Increase/decrease in business activity	Lenovo considers over 20% decrease to be much lower. Compared to previous reporting year, total consumption decreased by 82% likely due to an increase in sites estimating water discharge to be closer to 100% of withdrawal. Lenovo's accounting methodology allows sites to estimate water discharge between 90-100% of withdrawals when measurements are not available. Because Lenovo calculates consumptions as withdrawal minus discharge, when sites assume a higher discharge value this leads to a lower consumption value. Lenovo anticipates consumption to be about the same for the next five years.

## W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	11-25	About the same	Increase/decrease in business activity	About the same	Increase/decrease in business activity	WRI Aqueduct	The primary tool used to map withdrawals from water stressed areas was WRI Aqueduct 3.0. The water risk identification tool and the approximate latitude and longitude of all of Lenovo's active manufacturing, R&D, and large office locations were used to determine the ratings for various water risk indicators across Lenovo's operations; at the majority of the locations water is provided by third parties and exact source locations are not known. Lenovo considers facilities to be in "water-stressed areas" if they are in basins rated as "High" or "Extremely high" for baseline water stress according to WRI Aqueduct (in accordance with GRI: 303 2018's guidance on water stressed areas). 4 out of 13 manufacturing and 2 out of 13 R&D sites operate in water stressed areas. 13 out of 31 large offices operate in water-stressed areas. Collectively, these sites in water stressed areas withdrew approx. 350 megaliters in FY22/23 which was a decrease from 377 megaliters in FY21/22 but it remains about the same as a % of the company's total withdrawals (22.04% for FY22/23 compared to 24.1% for FY21/22). Lenovo anticipates a similar trend to persist for the next five years.

## W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	This source is not relevant because Lenovo does not directly withdraw water from any fresh surface water source. Lenovo does not expect future volumes from this source to change as Lenovo receives almost all water from third party sources and plans to continue to do so. As mentioned as an exclusion in W0.6a, Lenovo does have some sites collecting rainwater in addition to obtaining water from a third party source; rainwater volumes are currently not measured as they represent a very minor amount of total water use at this time (estimated at well under 5%).
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	This source is not relevant because Lenovo does not directly withdraw water from any brackish or sea water source. Lenovo does not expect future volumes from this source to change as Lenovo receives almost all water from third party sources and plans to continue to do so.
Groundwater – renewable	Relevant	12	Higher	Increase/decrease in business activity	This source is relevant because 2 Lenovo sites obtain water from on-site groundwater wells. There was a 7.6% increase in this volume from 11.33 to 12.19 megaliters between FY21/22 and FY22/23. Lenovo is considering anything within +5% to 20% to be "higher". The primary reason this was higher was that business activity (headcount) increased on the Jaguariuna office. Lenovo anticipates the volume of groundwater withdrawal to remain the same with slight increases/decreases in relation to employee headcount.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	This source is not relevant because Lenovo does not directly withdraw water from any groundwater source known to be naturally non-renewable. Lenovo does not expect future volumes from this source to change as Lenovo receives almost all water from third party sources and plans to continue to do so.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	This source is not relevant because Lenovo does not produce water or extract entrained water. Lenovo does not expect future volumes from this source to change as Lenovo has no plans to undertake any activities that would produce or extract entrained water and Lenovo receives almost all water from third party sources and plans to continue to do so.
Third party sources	Relevant	1487	About the same	Increase/decrease in business activity	This is relevant because Lenovo receives the majority of water from third parties, primarily from landlords and municipal systems. There was an approx. 4.4% decrease from 1,555.67 to 1,487.18 megaliters from FY21/22 to FY22/23. Lenovo is considering anything within +/-5% to be "about the same". The primary reason this remained "about the same" was that business activity remained about the same. Globally Lenovo's water withdrawals are closely linked to business activity, and more specifically employee headcount. Lenovo anticipates the volume of third-party withdrawals to remain the same with slight increases/decreases in relation to employee headcount.

## W1.2i

**(W1.2i) Provide total water discharge data by destination.**

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	This destination is not relevant because Lenovo does not discharge any water directly to fresh surface water. Lenovo does not expect future volumes to this destination to change as Lenovo discharges primarily to third party wastewater collection systems and stormwater conveyance systems and plans to continue to do so.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	This destination is not relevant because Lenovo does not discharge any water directly to brackish surface water or seawater. Lenovo does not expect future volumes to this destination to change as Lenovo discharges primarily to third party wastewater collection systems and stormwater conveyance systems and plans to continue to do so.
Groundwater	Relevant	5	About the same	Increase/decrease in business activity	This destination is relevant because Lenovo's Pondicherry, India manufacturing system operates an onsite sewage treatment plant where effluent is reused as garden water. There was an approx. 0% change from 5.385 to 5.388 megaliters from FY21/22 to FY22/23. Lenovo is considering anything within +/-5% to be "about the same". The primary reason this remained "about the same" was that business activity remained about the same at this site. Lenovo does not expect future volumes to this destination to change because Lenovo plans to continue to primarily discharge to third-party destinations with only minimal direct groundwater discharges.
Third-party destinations	Relevant	1476	About the same	Increase/decrease in business activity	This is relevant because Lenovo discharges most water back to third parties. There was an approx. 1.5% increase from 1,453.61 to 1,475.69 megaliters from FY21/22 to FY22/23. Lenovo is considering anything within +/-5% to be "about the same". The primary reason this remained "about the same" was that business activity remained about the same. Globally Lenovo's water discharges are closely linked to business activity, and more specifically employee headcount. Lenovo anticipates the volume of third-party discharges to remain the same with light increases/decreases in relation to employee headcount.

**W1.2j**

**(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.**

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	Primary reason for comparison with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Relevant	11	About the same	Increase/decrease in business activity	Less than 1%	Lenovo has two sites - one manufacturing facility in Pondicherry, India and one in Jaguariuna, Brazil - where wastewater undergoes tertiary treatment before being reused at the site. These sites represent less than 1% of the discharges within the reporting boundary. This treatment level is appropriate for the type of reuse at these sites. Lenovo meets local regulatory standards at these locations.
Secondary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	This treatment level is not relevant to Lenovo because Lenovo does not have any sites where discharges receive secondary treatment before direct discharge to the environment. The majority of Lenovo's discharges are sent to third parties.
Primary treatment only	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	This treatment level is not relevant to Lenovo because Lenovo does not have any sites where discharges receive primary treatment before direct discharge to the environment. The majority of Lenovo's discharges are sent to third parties.
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	This treatment level is not relevant to Lenovo because Lenovo does not have any sites where discharges are made to the natural environment without treatment. The majority of Lenovo's discharges are sent to third parties.
Discharge to a third party without treatment	Relevant	1470	About the same	Increase/decrease in business activity	91-99	This is relevant because Lenovo discharges most water back to third parties. There was an approx. 0.75% increase from 1,459 to 1,470 megaliters from FY21/22 to FY22/23. Lenovo is considering anything within +/-5% to be "about the same". The primary reason this remained "about the same" was that business activity remained about the same. Globally Lenovo's water discharges are closely linked to business activity, and more specifically employee headcount. We anticipate the volume of third-party discharges to remain the same with slight increases/decreases in relation to employee headcount. At all locations, discharges to third parties meet the local requirements of the third party and any applicable regulations.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	This treatment level is not relevant to Lenovo because Lenovo does not have any sites where discharges are treated to any other level than those listed in the rows above. The majority of Lenovo's discharges are sent to third parties.

**W1.3**

**(W1.3) Provide a figure for your organization's total water withdrawal efficiency.**

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	6194700000	1499	41325550.3669113	Lenovo expects its total withdrawal efficiency to increase over the long term. Lenovo expects YTY revenue to increase faster than YTY water withdrawal volume over the long term which would result in an increasing total water withdrawal efficiency.

**W1.4**

**(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?**

	Products contain hazardous substances	Comment
Row 1	Yes	<Not Applicable>

W1.4a

**(W1.4a) What percentage of your company’s revenue is associated with products containing substances classified as hazardous by a regulatory authority?**

Regulatory classification of hazardous substances	% of revenue associated with products containing substances in this list	Please explain
Candidate List of Substances of Very High Concern for Authorisation above 0.1% by weight (EU Regulation)	More than 80%	<p>Components within Lenovo's products contain "substances of very high concern" (SVHC) as defined by EU REACH (EC 1907/2006). In accordance with the requirements of REACH Article 33, Lenovo publishes a public document regarding the presence of SVHCs contained in articles in concentrations above 0.1% by weight.</p> <p>Lenovo's priority is to use environmentally preferable materials whenever applicable. In adhering to this precautionary approach, it supports restricting the intentional addition of materials that are potentially concerning when economically and technically viable alternatives exist. These restrictions may also include implementing concentration limits for incidental occurrences.</p> <p>The Company restricts the use of environmentally sensitive materials in its products. This includes the prohibition of ozone-depleting substances in all applications; the restriction on the use of persistent organic pollutants (POPs) under the Stockholm Convention; and the elimination of materials covered under EU RoHS and REACH, even beyond the jurisdictions where these regulatory requirements exist. The Company's implementation strategy and requirements are consistent with the requirements specified in the EU's RoHS Directive and REACH Regulation.</p> <p>The Company supports phasing out BFRs and PVC and is committed to driving its supply chain toward this goal. The Company continues to focus on eliminating halogens from its top-selling products and across as many commodities as possible.</p>

W1.5

**(W1.5) Do you engage with your value chain on water-related issues?**

	Engagement	Primary reason for no engagement	Please explain
Suppliers	Yes	<Not Applicable>	<Not Applicable>
Other value chain partners (e.g., customers)	Yes	<Not Applicable>	<Not Applicable>

W1.5a

**(W1.5a) Do you assess your suppliers according to their impact on water security?**

Row 1

**Assessment of supplier impact**

Yes, we assess the impact of our suppliers

**Considered in assessment**

Procurement spend

**Number of suppliers identified as having a substantive impact**

110

**% of total suppliers identified as having a substantive impact**

26-50

**Please explain**

During the most recent reporting period, Lenovo engaged with 110 suppliers representing 98% by spend of the company’s direct product suppliers on environmental impact, including water management. Procurement spend was used to identify the suppliers with the most contribution to Lenovo’s overall environmental impact, including water security. The suppliers included in the 98% by spend account for between 26-50% by absolute number of product suppliers.

W1.5b

**(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization’s purchasing process?**

	Suppliers have to meet specific water-related requirements	Comment
Row 1	Yes, water-related requirements are included in our supplier contracts	<Not Applicable>

W1.5c



**(W1.5c) Provide details of the water-related requirements that suppliers have to meet as part of your organization’s purchasing process, and the compliance measures in place.**

**Water-related requirement**

Complying with going beyond water-related regulatory requirements

**% of suppliers with a substantive impact required to comply with this water-related requirement**

100%

**% of suppliers with a substantive impact in compliance with this water-related requirement**

51-75

**Mechanisms for monitoring compliance with this water-related requirement**

On-site third-party audit

**Response to supplier non-compliance with this water-related requirement**

Retain and engage

**Comment**

Lenovo requires all of its suppliers to adopt the RBA Code of Conduct and verifies its top suppliers by spend are adopting it through RBA audits. Lenovo requires its suppliers that make up at least 95% of its procurement spend to conduct RBA audits, and the audit content includes the water management requirements of RBA. If there is any non-compliance, Lenovo will follow up with the supplier to take actions to improve the non-conformance until it is closed. Because Lenovo requires all suppliers to adopt the RBA Code of Conduct, 100% of suppliers with substantive impact are required to comply with the water-related elements of the RBA Code of Conduct. During the most recent reporting period, between 51-75% of the suppliers with substantive impact on water security were included in Lenovo’s RBA audit program.

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**Water-related requirement**

Providing fully-functioning, safely managed WASH services to all workers

**% of suppliers with a substantive impact required to comply with this water-related requirement**

100%

**% of suppliers with a substantive impact in compliance with this water-related requirement**

51-75

**Mechanisms for monitoring compliance with this water-related requirement**

On-site third-party audit

**Response to supplier non-compliance with this water-related requirement**

Retain and engage

**Comment**

Lenovo requires all of its suppliers to adopt the RBA Code of Conduct and verifies its top suppliers by spend are adopting it through RBA audits. Lenovo requires its suppliers that make up at least 95% of its procurement spend to conduct RBA audits, and the audit content includes the food, sanitation, and housing requirements of RBA. If there is any non-compliance, Lenovo will follow up with the supplier to take actions to improve the non-conformance until it is closed. Because Lenovo requires all suppliers to adopt the RBA Code of Conduct, 100% of suppliers with substantive impact are required to comply with the WASH-related elements of the RBA Code of Conduct. During the most recent reporting period, between 51-75% of the suppliers with substantive impact on water security were included in Lenovo’s RBA audit program.

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**W1.5d**

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**(W1.5d) Provide details of any other water-related supplier engagement activity.**

**Type of engagement**

Information collection

**Details of engagement**

Collect water management information at least annually from suppliers

Collect water quantity information at least annually from suppliers (e.g., withdrawal and discharge volumes)

**% of suppliers by number**

26-50

**% of suppliers with a substantive impact**

100%

**Rationale for your engagement**

Lenovo incentivizes its suppliers to disclose such information through Lenovo's publicly available Supplier Code of Conduct, which requires suppliers to report data when requested. Lenovo requested suppliers that make up 98% of its procurement spend to formally report their environmental impact data, via the RBA questionnaire and the CDP Climate Change questionnaire as required, and recommends the CDP Water questionnaire. During the last data collection period, 84% suppliers by spend reported quantified water reduction goals.

Lenovo prioritizes data collection by focusing on higher-spend product suppliers that have a proportionally greater environmental impact. Lenovo does not collect this information from general procurement suppliers which include those supplying goods that do not contribute to our products or services because general procurement is usually associated with lower environmental impact. Engaging with all small suppliers would be a very resource intense effort for a small return.

**Impact of the engagement and measures of success**

The impact of engagement begins with explaining to suppliers the importance and significance of collecting and reporting accurate and complete water information and data. This is the first step to ensuring that suppliers start managing their water via data measurement and then establishing water reduction goals. Lenovo's engagement strategy is to drive its suppliers to: 1. Report data including volumes of water withdrawn, discharged and recycled/reused, 2. Establish public water reduction goals. Lenovo measures its success based on the rate of suppliers' responses (striving for at least 95% of suppliers by spend). In general, we aim for a response rate improvement year by year. In year 2023, we will improve the accuracy and completeness of water survey disclosure by suppliers through more detailed training.

**Comment**

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**Type of engagement**

Incentivization

**Details of engagement**

Other, please specify (Set public water reduction goals)

**% of suppliers by number**

26-50

**% of suppliers with a substantive impact**

76-99

**Rationale for your engagement**

In Lenovo's Supplier Code of Conduct, suppliers are required to provide environmental data associated with Lenovo's business to Lenovo upon request. In order to collect environmental data, Lenovo kicks off an annual environmental impact reporting program each year which requires identified suppliers to report GHG, water, and waste data and other information via CDP Climate change and RBA questionnaires. The data and information collected from the questionnaires is used as the input into Lenovo's supplier ESG scorecards, and having a water reduction goal is one of the indicators in the ESG scorecard, and the ESG scorecard will affect suppliers' Quarterly Business Review (QBR) score and thus procurement decisions.

**Impact of the engagement and measures of success**

A beneficial water-related outcome would be decreased water withdrawals throughout Lenovo's supply chain overtime. A measurement of success is the number of suppliers setting water reduction goals. In the current reporting period, 84% of Lenovo's procurement spend was with suppliers who had set water reduction goals.

**Comment**

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**W1.5e**

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**(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.**

**Type of stakeholder**

Customers

**Type of engagement**

Education / information sharing

**Details of engagement**

Share information about your products and relevant certification schemes

**Rationale for your engagement**

Lenovo has seen an increase in customer requests for environmental/ESG information and data within requests for information (RFI) and request for proposals (RFP) from both existing and potential new customers. In recent years, questions about Lenovo’s water policies, water management activities, water risks, and water use data have increased. Whenever asked, Lenovo responds thoroughly and transparently to these customer inquiries.

**Impact of the engagement and measures of success**

Lenovo has found its customers care about its ESG practices, including water-related actions and data. Engaging with customers on the topic of water by responding to their water-related RFI/RFP requests has the potential to impact sales and revenue. A measure of success would be the reward of new contracts with both existing and new customers.

**Type of stakeholder**

Other, please specify (Lenovo 360 Circle Community)

**Type of engagement**

Innovation & collaboration

**Details of engagement**

Other, please specify (Make commitments and share resources )

**Rationale for your engagement**

Lenovo does 38% of its business through its channel ecosystem. These partners are also transforming themselves and developing capabilities around circular economy that could become a great asset for Lenovo. The choice of the 20 founding partners have been made by the channel executive teams at regional Level. The nominated partners are considered as strategic for Lenovo. The community has been recently opened to all Lenovo partners registered on Lenovo Partner Hub. The partners joining the program make a certain number of commitments, depending on their level of involvement which may include alignment to RBA Code of Conduct, defined sustainability goals, sustainability materiality assessment, UNGC signatory, ESG report, or advanced ESG disclosures. The RBA Code of Conduct includes water management and WASH related elements. The UNGC includes SDG 6 which related to clean water and sanitation. Aligned with the United Nations Global Compact (UNGC) engagement framework, partners are placed into ‘Connect’, ‘Learn’, and ‘Lead’ stages. Each stage represents the level of maturity of the organization’s sustainability plans and actions. And depending on the stage, partners have access to a set of resources to support them in their journey. The resources are tailored to accelerate the impacts either internally via their own sustainability corporate strategy and/or externally via the adoption of sustainability as a key pillar in sales motion.

**Impact of the engagement and measures of success**

As part the Lenovo 360 Circle framework, we have implemented a business management system around five key categories of Key Performance Indicators to measure the success of the initiative. Baselines are under assessment on the below indicators:

- We will measure how well we are able not only to recruit business partners to the Lenovo 360 Circle community, but also how well they get Engaged.
- We will also highly focus on Education, and here we aim to measure awareness, both internal and external, through training attendance and completion.
- The lead partners who opt-in to the Circle commit to work against a set of common goals, i.e. same goals as Lenovo is working towards, so we want to measure also the Impact from this.
- And we will also track the Performance of the business transformation.

**W2. Business impacts**

**W2.1**

**(W2.1) Has your organization experienced any detrimental water-related impacts?**

No

**W2.2**

**(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

	Water-related regulatory violations	Fines, enforcement orders, and/or other penalties	Comment
Row 1	No	<Not Applicable>	

**W3. Procedures**

**W3.1**

**(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?**

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified	Please explain
Row 1	Yes, we identify and classify our potential water pollutants	Details of Lenovo's processes for identifying & classifying water pollutants are found in its Site Environmental Practices Manual. The discharge management requirements within this Manual apply to manufacturing & R&D sites. According to the manual, the site's environmental focal point is responsible for maintaining an inventory of water discharges & assuring discharges meet all applicable laws, regulations, and permits for discharging to receiving waters or requirements of third party treatment facilities as applicable to the site. Sites must characterize their discharges prior to entering into agreement with a third party and must re-evaluate its discharges any time there is a change in the activities at the location that could impact discharge characteristics. The established standards followed by the company vary by location as they are determined by the local jurisdiction or third party treating the wastewater – for example, at Lenovo's manufacturing facility in Pondicherry, the established standard is set by the local Pondicherry Pollution Control Committee and the site's discharge is sampled quarterly for fecal coliforms, BOD, COD, nitrogen, phosphorus, pH, and TSS.	<Not Applicable>

**W3.1a**

**(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.**

**Water pollutant category**

Nitrates

**Description of water pollutant and potential impacts**

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

**Value chain stage**

Direct operations  
Supply chain

**Actions and procedures to minimize adverse impacts**

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

**Please explain**

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

**Water pollutant category**

Phosphates

**Description of water pollutant and potential impacts**

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

**Value chain stage**

Direct operations  
Supply chain

**Actions and procedures to minimize adverse impacts**

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

**Please explain**

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

**Water pollutant category**

Other nutrients and oxygen demanding pollutants

**Description of water pollutant and potential impacts**

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

#### Value chain stage

Direct operations  
Supply chain

#### Actions and procedures to minimize adverse impacts

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

#### Please explain

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

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#### Water pollutant category

Pathogens

#### Description of water pollutant and potential impacts

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

#### Value chain stage

Direct operations  
Supply chain

#### Actions and procedures to minimize adverse impacts

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

#### Please explain

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

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#### Water pollutant category

Inorganic pollutants

#### Description of water pollutant and potential impacts

Inorganic water pollutants such as toxic levels of heavy metals can have impacts to animal and human health. For example, if humans were to ingest too much lead via their water supplies, they could experience soft tissue and organ damage or red blood cell interference.

#### Value chain stage

Direct operations  
Supply chain

#### Actions and procedures to minimize adverse impacts

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

#### Please explain

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

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#### Water pollutant category

Oil

#### Description of water pollutant and potential impacts

High concentrations of oil and grease in wastewater can decrease the effectiveness of wastewater treatment systems causing the resulting effluent to exceed applicable regulatory requirements.

#### Value chain stage

Direct operations  
Supply chain

#### Actions and procedures to minimize adverse impacts

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

#### Please explain

The majority (over 99%) of Lenovo's wastewater is discharged to third parties for treatment. Under Lenovo's Site Environmental Practices Manual, manufacturing and R&D sites must characterize their wastewater to ensure it meets the incoming requirements of the third-party treatment system including any oil and grease requirements. Where Lenovo operates cafeterias or canteens on site where cooking oil could cause oily wastewater, grease traps are in use. For example, at Lenovo's Beijing Headquarters there is a grease trap in use to meet municipal requirements. Where required, oil and grease levels are sampled. For example, sampling at Lenovo's Monterrey manufacturing facility includes testing for oil and grease. These procedures manage the risk to overall wastewater treatment efficacy by ensuring any discharges have oil and grease content within third party treatment ranges. Success is measured by periodic quality measurements per local requirements and the number of violations (goal of zero). In addition, Lenovo's Supplier Code of Conduct, requires all suppliers to "Identify potential pollutant sources and ensure the pollutant level of air emission and water discharge are in accordance with applicable laws and regulations". Success is measured through audits.

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### W3.3

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#### (W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

### W3.3a

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#### (W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

##### Value chain stage

Direct operations  
Supply chain

##### Coverage

Full

##### Risk assessment procedure

Water risks are assessed as a standalone issue

##### Frequency of assessment

Annually

##### How far into the future are risks considered?

More than 6 years

##### Type of tools and methods used

Tools on the market

##### Tools and methods used

WRI Aqueduct  
WWF Water Risk Filter

##### Contextual issues considered

Water availability at a basin/catchment level  
Water quality at a basin/catchment level  
Stakeholder conflicts concerning water resources at a basin/catchment level  
Impact on human health  
Implications of water on your key commodities/raw materials  
Water regulatory frameworks  
Status of ecosystems and habitats  
Access to fully-functioning, safely managed WASH services for all employees  
Other, please specify (Lenovo considers extreme weather events such as droughts and flooding)

##### Stakeholders considered

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

##### Comment

Results from Lenovo's standalone water risk assessment can inform Lenovo's other risk assessments, such as the annual Significant Environmental Aspect analysis that is part of Lenovo's ISO14001 Environmental Management System.

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### W3.3b

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(W3.3b) Describe your organization’s process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	<p>Lenovo has performed an annual water risk assessment for the past five years. Each year the process has improved. It now includes all direct operations, a majority of ODMs, and a majority of direct suppliers by procurement spend (such as those with the greater environmental impact due to greater volume of business). Product use phase is not considered because majority of Lenovo's products do not directly interact with water. Lenovo's own sites and ODMs and suppliers are filtered for those that pose the greatest risk overall. The best available locations of these sites were input into two tools - WRI Aqueduct and WWF Water Risk Filter - during the most recent annual assessment. Lenovo then considers a range of current indicators covering the issues selected, as well as future projects (2030 and 2040 or 2050 depending on the tool) and results are reviewed to determine how many and which sites have the highest risk for each contextual issue considered.</p>	<p>The following explains why each selected contextual issue is considered in the process:</p> <p>Availability-For Lenovo to continue providing WASH services at all locations, water must remain available within each location's water basin.</p> <p>Quality-To continue providing WASH services of adequate quality at all locations, Lenovo must receive adequate quality of water at each location.</p> <p>Conflicts-Stakeholder conflicts can affect water access, the regulatory stability around water policies and has associated reputational risks for Lenovo.</p> <p>Implications on key commodities-While Lenovo has no significant wet processes, Lenovo recognizes the importance of adequate quantities of sufficient quality water in the production of its commodities, especially semiconductors.</p> <p>Regulatory frameworks-Local regulatory frameworks can dictate the availability, quality, &amp; cost of water for Lenovo locations.</p> <p>Ecosystems and habitats-The status of the ecosystems and habitats affects the well-being of employees &amp; customers &amp;, if degraded, can pose risks for Lenovo, such as reputational risks &amp; the loss of the benefits of ecosystem services.</p> <p>WASH &amp; human health impacts-Failing to provide adequate WASH services would have a direct impact to the health &amp; well-being of Lenovo's work force and could also have compliance and reputational repercussions.</p> <p>Other, extreme weather-These events pose risks to Lenovo's employees, customers, &amp; operations and can cause damage to its physical locations across the globe.</p>	<p>The following explains why each selected stakeholder is considered in the process:</p> <p>Customers-As water risks increase, customers are more likely to experience water risks directly which may cause them to prioritize water stewardship in their purchases.</p> <p>Employees-Lenovo is committed to providing all employees with WASH services in the workplace because Lenovo recognizes this as a basic human right.</p> <p>Investors-As investor focus on ESG has increased, Lenovo has experienced more requests regarding water security which it expects to continue.</p> <p>Local communities-Lenovo recognizes that healthy, thriving communities mean healthy, thriving employees &amp; customers &amp; access to water is vital to this.</p> <p>NGOs &amp; Regulatory - Because of the important role NGOs and regulators have in addressing collective water risks, Lenovo considers them relevant stakeholders &amp; considers them in its risk assessment.</p> <p>Suppliers-While Lenovo has no significant wet processes, Lenovo recognizes the importance of adequate quantities of sufficient quality water to its supply chain partners, especially the semiconductor industry.</p> <p>Water utilities-Water utilities act as an intermediary between Lenovo and water sources &amp; as such are likely to experience water risks first. If water risks were to disrupt the operations of local water utilities, Lenovo could be faced with increased costs or disruptions.</p> <p>Other water users-Water is a finite and shared resource; the actions of other water users can affect Lenovo and vice versa.</p>	<p>The outcomes of the assessment were used to inform the relevant environmental focal points and management of water risks so that they are prepared to make informed decisions. Through the reporting over the years, those making business decisions have been informed about water risks and their connection to climate change which helped get several initiatives approved such as: adding a dedicated water management position to the corporate team, adopting a Water Resiliency Policy, and endorsing the UN CEO Water Mandate. Furthermore, the results help inform inputs into Lenovo's other risk assessments described in W4.1a.</p>

W4. Risks and opportunities

W4.1

**(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes, both in direct operations and the rest of our value chain

W4.1a

**(W4.1a) How does your organization define substantive financial or strategic impact on your business?**

1. Substantive financial or strategic impact on Lenovo business from the Enterprise Risk Management (ERM) perspective:

Lenovo has internal risk rating criteria that ranks risk according to a number of factors including financial. Financial impacts are defined by the overall profitability of the business by assessing financial indicators such as profit and revenue. Financial risks are ranked based on total impact (lower, moderate, high, or very high) with defined monetary ranges depending on the magnitude of associated loss in profit and revenue. The two highest financial impact categories as defined by Lenovo's internal risk ranking methodology determine degree of severity and would be considered critical financial impact with the potential to have a substantive impact on Lenovo business at the corporate level.

The risk rating methodology identifies several other impact types such as reputation, market share, production, people, and compliance that would all be considered strategic impacts. The indicators for determining their degree of severity are the geographic and temporal scope of publicity, sales, production numbers, injury, death, turnover, scope of incidents and penalties. Similar to the financial impacts, the two highest degrees of severity for the aforementioned impact types would be considered a substantive strategic impact on Lenovo business at the corporate level.

In general summary, the identified risks and opportunities by the Enterprise Risk Management process are prioritized by ranking the risks relative to likelihood and consequence. Consequences are evaluated relative to financial, reputational, production, human capital, compliance and market share impacts. Probabilities are evaluated relative to likelihood of almost certain, possible, unlikely, and remote.

2. Substantive financial or strategic impact on Lenovo business from the Significant Environmental Aspect (SEA) perspective:

Lenovo environmental aspects are rated relative to both their environmental significance and business significance. Environmental significance is rated relative to five environmental risks factors (quantity, area, frequency, severity, and level of control) and business significance is rated relative to three business risks (reputation or stakeholder relationship, compliance, and management focus). The results of these separate rating schemes are combined to produce a total significance rating, or indicator, for each environmental aspect. Aspects with total significance rating equal to or above 20 are typically defined as SEAs from which objectives, targets and management programs including resources are developed and would represent substantive financial or strategic impact at the corporate level.

The SEA process covers impacts from both direct operations, our products, and the supply chain and the definition of a substantive financial or strategic impact is the same (total significant rating above 20) for operational, product, and supply chain risks.

Many environmental aspects are considered in the SEA process. Some examples of aspects considered that are related to water are water withdrawal, water discharge, controls failure related to water, and supplier performance, including their performance related to water.

W4.1b

**(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?**

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	3	1-25	Lenovo has identified three facilities (two manufacturing facilities and one headquarter facility) exposed to inherent water risk with potential substantive financial or strategic impact at the corporate level. The main risk impact is reputational, with some risk of disruption to production and employee safety. Residual risks are much less due to a combination of compliance, monitoring, and water management. When determining the percentage of company-wide facilities this represents, the denominator includes all manufacturing, headquarter, research and development, and large office locations which totals 57 facilities.

W4.1c

**(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?**

**Country/Area & River basin**

China	Yangtze River (Chang Jiang)
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**



<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

11-20

**Comment**

Lenovo's manufacturing facility in Wuhan, China is one of Lenovo's largest facilities. Due to the facility's size, it was the company's largest water user in FY22/23. Water is used at the site for employee support in bathrooms and canteen, for building cooling, and some landscaping. The % of total global revenue is a rough estimate based on Lenovo's FY21/22 revenue, an estimate of Lenovo's inhouse production's contribution to overall revenue, an estimate of the percent of inhouse production completed at this facility. Actual impacts are mitigated through Lenovo's overall programs for monitoring, disaster management planning, and diversified manufacturing footprint (both Lenovo owned facilities and outsourced manufacturing facilities).

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**Country/Area & River basin**

China	Other, please specify (Ziya He)
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

1-10

**Comment**

Lenovo's facility in Beijing, China is a company headquarter location. The facility is Lenovo's largest water user in an area of extremely high (>80%) baseline water stress according to WRI's Aqueduct water risk atlas. The % of total global revenue is a rough estimate based on Lenovo's FY21/22 revenue and an estimate of how much the supporting functions carried out at this location support that revenue. Actual impacts are mitigated through water withdrawal monitoring, compliance with local regulations, and ability to transfer most functions to work from home at this facility, and multiple headquarter locations.

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**Country/Area & River basin**

Mexico	Bravo
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

11-20

**Comment**

Lenovo operates a manufacturing facility in Monterrey, Mexico. The facility is Lenovo's only manufacturing facility in an area of extremely high (>80%) baseline water stress according to WRI's Aqueduct water risk atlas. Water is used at the site for employee support in bathrooms and canteen, for building cooling, and some landscaping. The % of total global revenue is a rough estimate based on Lenovo's FY21/22 revenue, an estimate of Lenovo's inhouse production's contribution to overall revenue, an estimate of the percent of inhouse production completed at this facility. Actual impacts are mitigated through Lenovo's overall programs for monitoring, disaster management planning, and diversified manufacturing footprint (both Lenovo owned facilities and outsourced manufacturing facilities).

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**W4.2**

**(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

**Country/Area & River basin**

China	Yangtze River (Chang Jiang)
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#### Type of risk & Primary risk driver

Reputation & markets	Increased stakeholder concern or negative stakeholder feedback
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#### Primary potential impact

Brand damage

#### Company-specific description

In FY22/23, water management was identified as a significant environmental aspect for Lenovo. During the annual SEA analysis described in W4.1a, the total risk rating of water use was determined to be 21 which exceeds the threshold of 20 (see process description in W4.1a). One of the individual factors that went into the total risk rating was the business risk associated with reputational risk which was rated high. As Lenovo's largest water user in FY22/23, the Wuhan facility is one of the main contributors to Lenovo's overall water use. Lenovo has seen the topic of water stewardship and security increase on its customers' and investors' agendas. One simple measure of its water impact is total water withdrawals. Responsibly managing water withdrawals is important to responding to customer and investor priorities. Lenovo has seen the importance increase with customer and investors over time and Lenovo is regularly responding to inquiries about its environmental practice including water management. Failure to do so could result in brand damage and ultimately loss of current or potential customers or investors which could impact Lenovo's overall revenue.

#### Timeframe

More than 6 years

#### Magnitude of potential impact

Medium

#### Likelihood

About as likely as not

#### Are you able to provide a potential financial impact figure?

Yes, an estimated range

#### Potential financial impact figure (currency)

<Not Applicable>

#### Potential financial impact figure - minimum (currency)

619470000

#### Potential financial impact figure - maximum (currency)

3097350000

#### Explanation of financial impact

Financial impact associated with reputational/brand damage is difficult to estimate, but the risk is likely to increase with time as customers' expectations for corporate water stewardship increases. Lenovo assumes here failure to meet customers expectation at this time could lead to a 1-5% decrease in market share. Lenovo estimates here that potential financial impact from the unmitigated risk could be from around US\$619,470,000 (0.01 x Lenovo FY22/23 annual revenue of US\$61,947,000,000) to US\$3,097,350,000 (0.05 x Lenovo FY22/23 annual revenue of US\$61,947,000,000).

#### Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

#### Description of response

Situation: Lenovo's Wuhan manufacturing facility is one of its main water users.

Task: Identify ways to better measure and manage the site's water use.

Action: During the current reporting period, this site optimized metering to better collect water consumption for different uses and set formula and limits to identify any abnormality such as unexpected water usage, leaks, or meter errors.

Result: It is expected that this action will bring greater awareness to how water is being used at the site and quicker responses to any abnormal water use at the site. In the upcoming year (FY23/34), the site is planning to complete pipe repairs to decrease leakage.

#### Cost of response

20000

#### Explanation of cost of response

The optimization of metering and setting of formulas and limits has no to very minimal cost associated with it. The planned pipe repair is roughly estimated at \$US 20,000.

#### Country/Area & River basin

China	Other, please specify (Ziya He)
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#### Type of risk & Primary risk driver

Chronic physical	Water stress
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#### Primary potential impact

Brand damage

#### Company-specific description

In FY22/23, water management, including water withdrawal from areas of water stress, was identified as a significant environmental aspect for Lenovo. During the annual SEA analysis described in W4.1a, the total risk rating of water management was determined to be 21 which exceeds the threshold of 20 (see process description in W4.1a). One of the individual factors that went into the total risk rating was the business risk associated with reputational risk which was rated high. As Lenovo's largest water user in an area of extremely high (>80%) baseline water stress according to WRI's Aqueduct Water Risk Atlas, the Beijing facility is one of main contributors to Lenovo's overall water withdrawals from water stressed areas. Lenovo has seen the topic of water stewardship and security increase on its customers' and investors' agendas. One simple measure of its water impact is total water withdrawals from water stressed regions. This value is reported annually in Lenovo's public ESG Report and sometimes requested by Lenovo's customers through surveys. Responsibly managing water withdrawals is important to responding to customer and investor priorities. Failure to do so

could result in brand damage and ultimately loss of customers or investors which could impact Lenovo's overall revenue.

**Timeframe**

More than 6 years

**Magnitude of potential impact**

Medium

**Likelihood**

About as likely as not

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

619470000

**Potential financial impact figure - maximum (currency)**

3097350000

**Explanation of financial impact**

Financial impact associated with reputational/brand damage is difficult to estimate but the risk is likely to increase with time as customers' expectations for corporate water stewardship increases. Lenovo assumes here failure to meet our customers expectation at this time could lead to a 1-5% decrease in market share. Lenovo estimates here that potential financial impact from the unmitigated risk could be from around US\$619,470,000 (0.01 x Lenovo FY22/23 annual revenue of US\$61,947,000,000) to US\$3,097,350,000 (0.05 x Lenovo FY22/23 annual revenue of US\$61,947,000,000).

**Primary response to risk**

Comply with local regulatory requirements

**Description of response**

Situation: Lenovo requires that all sites comply with applicable water regulations.

Task: Local environmental teams actively monitor for development of any new water conservation regulations that would apply to the site. During the reporting year, this site was issued a water target from the Beijing Water Authority that will apply to the site in the future. Water used in excess of the target will cost more but the price has not been determined yet.

Action: In the next year, Lenovo may consider additional water conservation measures that could be implemented to ensure this new water target is met.

Results: If it appears that Lenovo may exceed the locally set target, a water conservation measure could be implemented to help ensure water use below the target.

**Cost of response**

0

**Explanation of cost of response**

There is no cost beyond business as usual staff time (US\$ 0) associated with monitoring the development of new water regulations that may affect the facility. Lenovo's EMS is built on a foundation of compliance and monitoring of all applicable environmental regulations is part of Lenovo's ongoing practice and occurs with no specific fees. Cost to comply with new regulations should they apply may require investment from Lenovo, but it would depend on specific requirements of the regulation and the yet to be determined cost for exceeding the target.

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**Country/Area & River basin**

Mexico	Bravo
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**Type of risk & Primary risk driver**

Chronic physical	Water stress
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**Primary potential impact**

Brand damage

**Company-specific description**

In FY22/23, water management, including water withdrawal from areas of water stress, was identified as a significant environmental aspect for Lenovo. During the annual SEA analysis described in W4.1a, the total risk rating of water management was determined to be 21 which exceeds the threshold of 20 (see process description in W4.1a). One of the individual factors that went into the total risk rating was the business risk associated with reputational risk which was rated high. As Lenovo's second largest water user in an area of extremely high (>80%) baseline water stress according to WRI's Aqueduct Water Risk Atlas, the Monterrey facility is a contributor to Lenovo's overall water withdrawals from water stressed areas. In addition, areas near this facility experienced a drought that resulted in limited access to water for parts of the community during the reporting period. Lenovo has seen the topic of water stewardship and security increase on its customers' and investors' agendas. One simple measure of water impact is total water withdrawals from water stressed regions. This value is reported annually in Lenovo's public ESG Report and sometimes requested by Lenovo's customers through surveys. Responsibly managing water withdrawals is important to responding to customer and investor priorities. Failure to do so could result in brand damage and ultimately loss of customers or investors which could impact Lenovo's overall revenue.

**Timeframe**

More than 6 years

**Magnitude of potential impact**

Medium

**Likelihood**

About as likely as not

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

619470000

**Potential financial impact figure - maximum (currency)**

3097350000

**Explanation of financial impact**

Financial impact associated with reputational/brand damage is difficult to estimate but the risk is likely to increase with time as customers' expectations for corporate water stewardship increases. Lenovo assumes here failure to meet its customers expectation at this time could lead to a 1-5% decrease in market share. Lenovo estimates here that potential financial impact from the unmitigated risk could be from around US\$619,470,000 (0.01 x Lenovo FY22/23 annual revenue of US\$61,947,000,000) to US\$3,097,350,000 (0.05 x Lenovo FY22/23 annual revenue of US\$61,947,000,000).

**Primary response to risk**

Adopt water efficiency, water reuse, recycling and conservation practices

**Description of response**

Situation: This facility is located in an area of extremely high water stress; therefore, conserving water is important.

Task: Look for ways water could be conserved without impacting operations at the site.

Action: During the current reporting period, this site adjusted automatic toilets and faucets to operate at 75%.

Results: This change resulted in lower water use without any compromise to operation. In the next year, the site plans to investigate options for rainwater harvesting.

**Cost of response**

500

**Explanation of cost of response**

The cost of adjusting the faucets was minimal at around \$US 500.

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W4.2a

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**(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

**Country/Area & River basin**

China	Other, please specify (Multiple River Basins)
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**Stage of value chain**

Supply chain

**Type of risk & Primary risk driver**

Reputation & markets	Negative media coverage
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**Primary potential impact**

Company brand damage

**Company-specific description**

In FY22/23, water management, including water withdrawal from areas of water stress, was identified as a significant environmental aspect for Lenovo. During the annual SEA analysis described in W4.1a, the total risk rating of water management was determined to be 21 which exceeds the threshold of 20 (see process description in W4.1a). The negative consequence of supplier environmental performance identified was environmental degradation from supplier activities which could negatively affect Lenovo's brand reputation and lead to loss of market share. The majority of Lenovo's suppliers have operations within China and therefore, multiple basins across China is where this risk mainly exists. A timeframe of "more than 6 years" was selected because although the impact to Lenovo associated with a negative supplier event could occur in the short-term (under a year), the risk of such events is present every year. Lenovo's risk assessment processes are performed annually so whether risk is considered substantive will be revisited annually.

**Timeframe**

More than 6 years

**Magnitude of potential impact**

Medium

**Likelihood**

Unlikely

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

619470000

**Potential financial impact figure - maximum (currency)**

3097350000

**Explanation of financial impact**

Financial impact associated with reputational/brand damage is difficult to estimate but the risk is likely to increase with time as customers' expectations for corporate water stewardship increases. Lenovo assumes here failure to meet our customers expectation at this time could lead to a 1-5% decrease in market share. Lenovo estimates here that potential financial impact from the unmitigated risk could be from around US\$619,470,000 (0.01 x Lenovo FY22/23 annual revenue of US\$61,947,000,000) to US\$3,097,350,000 (0.05 x Lenovo FY22/23 annual revenue of US\$61,947,000,000).

**Primary response to risk**

Supplier engagement	Promote greater due diligence among suppliers
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**Description of response**

Lenovo annually collects water data from a subset of suppliers. In addition, the top 95% of Lenovo's suppliers by spend must undergo RBA audits at least every two years, which cover water management. In FY21/22, Lenovo added a new suite of tools, Ecovadis, to its supplier program to improve due diligence. The Ecovadis suite of tools is intended to provide greater supplier due diligence in the areas of environment, labor and human rights, ethics, and sustainable procurement by looking into 21 different supplier practices areas, one of which is water. The Ecovadis suite of tools is helping Lenovo by providing an additional rating platform, suggested corrective actions, and scanning over 100,000 public sources for environmental related items related to its suppliers. The ratings are based on surveys which include questions about their water management and the scanning of public documents include databases of violations which could help Lenovo identify water-related violations at its suppliers' locations.

**Cost of response**

300000

**Explanation of cost of response**

The cost for the ongoing tools used to manage and monitor Lenovo's suppliers as well as adding the Ecovadis platform is approximately \$300,000. These tools cover many topics beyond water, and it is not possible to precisely separate out a cost for just monitoring suppliers water-related performance.

**W4.3**

**(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes, we have identified opportunities, and some/all are being realized

**W4.3a**

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**(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.**

**Type of opportunity**

Products and services

**Primary water-related opportunity**

Other, please specify (Development of climate adaptation, resilience, and insurance risk solutions)

**Company-specific description & strategy to realize opportunity**

Lenovo recognizes that the already unavoidable portion of climate change will disrupt typical weather patterns causing increased frequency and severity of extreme weather, including floods and droughts. To meet this challenge, society will likely invest more in climate prediction (on the timeframe of months to years) and weather prediction (timeframe of days) which will require High Performance Computing (HPC). Lenovo sees this as an opportunity for increased demand of its data center products. Lenovo's strategy to further realize opportunities related to climate and weather forecasting is part of the overall strategy to maintain the Company's position as a leader in this area.

**CASE STUDY**

Situation: Successful climate adaptation will require research and improved weather forecasting, both of which will need the computational support of data centers.

Task: Lenovo sees an opportunity to support research institutes studying climate change and climate adaptation, as well as meteorological organizations seeking to improve forecasting.

Action: For at least the next 10 years, Lenovo expects to continue meeting the needs of customers' research in the area of climate change and adaptation, including weather forecasting.

Result: Lenovo equipment is currently used at more than 30 data centers that are supporting climate and/or weather forecasting. For example, Lenovo HPC helps to forecast potentially disastrous weather events in Saudi Arabia. Starting in 2018, Lenovo and WeMET teamed to develop weather forecasting systems for the National Center of Meteorology of Saudi Arabia. In 2021, the Saudi government expanded the Lenovo-WeMET mission, asking them to build a more powerful and encompassing system that could also account for rain event flood prediction and the path that flood waters will take. In November 2022, the new system passed the big, early test posed by a Jeddah storm. Local news coverage pegged the rainfall at over 7" over an 8-hr period. According to Lenovo's Worldwide Segment Leader, the storm was predicted a day in advance with detailed accuracy, giving Jeddah residents time to prepare. The advanced warning was crucial in reducing fatalities to two. Lenovo anticipates this being an opportunity that will continue to grow as more research and improved forecasting is needed to manage climate change impacts. Though Lenovo has begun to realize this opportunity already, there will continue to be opportunities for further realization.

**Estimated timeframe for realization**

More than 6 years

**Magnitude of potential financial impact**

Low-medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

250000000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact**

Based on fact that Lenovo pursues mid-range customer accounts worth about US\$10 million and assumption that there may be 25 account opportunities in this area, Lenovo estimates here the potential financial impact to be around US\$250 million (US\$10 million \* 25 = US\$ 250 million).

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**Type of opportunity**

Products and services

**Primary water-related opportunity**

Reduced impact of product use on water resources

**Company-specific description & strategy to realize opportunity**

Lenovo's continued focus on product and operational energy efficiency provides a positive product differentiator in a regulatory environment that increasingly values these attributes. Lenovo offers a full complement of ENERGY STAR qualified notebooks (~90% of all platforms), desktops (~83% of all platforms), workstations (~100% of all platform), monitors (~69% of all monitors), and servers (~92% of all platforms). For more about energy efficiency of Lenovo's servers, see the case study below. Improved energy efficiency of products also improves the products' indirect water use since often the energy generation mix on the grid involves traditional energy generation technologies with associated water impacts.

**CASE STUDY:**

Situation: Customers are increasingly focused on energy efficiency as a way to save on energy costs and meet their own greenhouse gas emission reduction targets. In addition, data center components (CPUs and GPUs) become increasing powerful each year and these more powerful units generate more heat requiring more energy to cool.

Task: Identify an opportunity in helping meet customers' needs for powerful, but energy efficient data centers with liquid-cooling technologies.

Action: Lenovo offers its award-winning Lenovo Neptune® which is a suite of liquid-cooling technologies that deliver improved performance with less energy. For example, an early application of these technologies was at the Leibniz-Rechenzentrum Supercomputing Centre (LRZ) where with Direct to Node (DTN) warm-water cooling a controlled loop of water is used to extract heat from the cluster using a fraction of the energy of an air-cooled system. According to the Head of High Performance Systems at the Leibniz Supercomputing Centre, with the second installation phase, LRZ was able to reduce energy costs by 35%. For at least the next 10 years, Lenovo expects to continue to develop, produce, and market the Neptune liquid-cooling technologies to meet the needs of energy efficiency-focused customers.

Result: Lenovo is experiencing increased interest in and sales of its Neptune® offerings from customers looking for more performance with a smaller energy footprint.

Lenovo anticipates this being an opportunity that will grow for a long time as customer interest in powerful but efficient data centers continues to grow. Though Lenovo has begun to realize this opportunity already, there will continue to be opportunities for realization.

**Estimated timeframe for realization**

Current - up to 1 year

**Magnitude of potential financial impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

619470000

**Potential financial impact figure – maximum (currency)**

3097350000

**Explanation of financial impact**

Expected future demand for energy efficient products is hard to estimate but increase in sales can reasonably be expected based on general increasing interest in energy efficiency and the fact that Lenovo offers superior products for powerful, energy efficient computing. By assuming that Lenovo’s ability to meet new demand for high efficiency products could lead to a 1% to 5% increase in revenue in a given year, Lenovo estimates here that opportunity to be around US\$619,470,000 (0.01 x Lenovo FY22/23 annual revenue of US\$61,947,000,000) to US\$3,097,350,000 (0.05 x Lenovo FY22/23 annual revenue of US\$61,947,000,000).

**W5. Facility-level water accounting**

**W5.1**

**(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.**

**Facility reference number**

Facility 1

**Facility name (optional)**

Beijing Headquarters

**Country/Area & River basin**

China	Other, please specify (Ziya He River)
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**Latitude**

40.05

**Longitude**

116.27

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

206.4

**Comparison of total withdrawals with previous reporting year**

Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

206.4

**Total water discharges at this facility (megaliters/year)**

205.7

**Comparison of total discharges with previous reporting year**

Lower

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

205.7

**Total water consumption at this facility (megaliters/year)**

0.7

**Comparison of total consumption with previous reporting year**

About the same

**Please explain**

WRI Aqueduct's baseline water stress indicator was used to determine that this location is in a water stressed area. Water withdrawals are sourced from a municipal system and discharged to the municipal system. Water withdrawals are measured monthly and discharges are estimated as a percentage of withdrawals. Consumption is calculated as the difference between withdrawals and discharges. Any water consumption is mainly from evaporation during cooling and infiltration/runoff during landscape irrigation with some possible minor consumption through employee use. Water withdrawals decreased at this location from 226.6 to 206.4 ML from FY21/22 to FY22/23 or about 8.9% which was categorized as lower based on a definition of lower as being between a 5 and 20% decrease. Water discharges decreased at this location from 225.9 to 205.7 ML from FY21/22 to FY22/23 or about 8.9% which was categorized as lower based on a definition of lower as being between a 5 and 20% decrease. Water consumption remained the same at this location from about 0.7 to 0.7 ML from FY21/22 to FY22/23 or about 0% change which was categorized as about the same based on a definition of within a 5% change in either direction as about the same. Decrease in water use is likely due to decrease in headcount at this office between the two years; in FY22/23, there were several months when COVID cases in the area resurged resulting in more employees working from home at this location.

**Facility reference number**

Facility 2

**Facility name (optional)**

Wuhan Manufacturing

**Country/Area & River basin**

China	Yangtze River (Chang Jiang)
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**Latitude**

31.2

**Longitude**

121.59

**Located in area with water stress**

No

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

464.6

**Comparison of total withdrawals with previous reporting year**

Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

464.6

**Total water discharges at this facility (megaliters/year)**

464.6

**Comparison of total discharges with previous reporting year**

Higher

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

464.6



**Total water consumption at this facility (megaliters/year)**

0

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

WRI Aqueduct's baseline water stress indicator was used to determine that this site is not in a water stressed area. Water withdrawals are sourced from and discharged to the municipal system. Water withdrawals are measured monthly, and discharges are estimated as a percentage of withdrawals. Consumption is calculated as the difference between withdrawals and discharges. Water withdrawals decreased at this location from 494.8 to 464.6 ML from FY21/22 to FY22/23 or about 6.1% which was categorized as lower based on a definition of lower as between a 5 and 20% decrease. Water discharges increased at this location from 432.9 to 464.6 ML from FY21/22 to FY22/23 or about 7.3% which was categorized as higher based on a definition of higher as between a 5 and 20% increase. Water consumption decreased at this location from about 61.9 to 0 ML from FY21/22 to FY22/23 or about 100% which was categorized as much lower based on a definition of much lower as greater than 20% decrease. The change in withdrawal was due to a decrease in employees at the site due to decrease business demand. The increase in withdrawal and decrease in consumption is a result of the site updating their specific water accounting assumptions; in FY21/22, the site switched from estimating water discharges as 85% of withdrawals to 100% of withdrawals.

**Facility reference number**

Facility 3

**Facility name (optional)**

Monterrey Manufacturing

**Country/Area & River basin**

Mexico	Bravo
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**Latitude**

25.78783

**Longitude**

-100.166

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

&lt;Not Applicable&gt;

**Oil & gas sector business division**

&lt;Not Applicable&gt;

**Total water withdrawals at this facility (megaliters/year)**

25.6

**Comparison of total withdrawals with previous reporting year**

Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

25.6

**Total water discharges at this facility (megaliters/year)**

23.1

**Comparison of total discharges with previous reporting year**

Lower

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

23.1

**Total water consumption at this facility (megaliters/year)**

1.3

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

WRI Aqueduct's baseline water stress indicator was used to determine that this location is in a water stressed area. Water withdrawals are sourced from a municipal system and discharged to the municipal system. Water withdrawals are measured monthly, and discharges are estimated as a percentage of withdrawals. Consumption is calculated as the difference between withdrawals and discharges. Any water consumption is mainly from evaporation during cooling and infiltration/runoff during landscape irrigation with some possible minor consumption through employee use. Water withdrawals decreased at this location from 27.4 to 25.6 ML from FY21/22 to FY22/23 or about 6.7% which was categorized as lower based on a definition of lower as being between a 5 and 20% decrease. Water discharges decreased at this location from 24.6 to 23.1 ML from FY21/22 to FY22/23 or about 6.1% which was categorized as lower based on a definition of lower as being between a 5 and 20% decrease. Water consumption decreased at this location from about 2.5 to 1.3 ML from FY21/22 to FY22/23 or about 48% change which was categorized as much lower based on a definition of much lower as greater than 20% decrease. The decrease in all three values of withdrawal can be attributed to the site adjusting automatic toilets and faucets to operate at 75% while also experience an employee headcount increase of about 17%.

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## W5.1a

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### (W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

#### Water withdrawals – total volumes

**% verified**

76-100

**Verification standard used**

ISAE 3000 standard is used to externally verify Lenovo's total global water withdrawal and water discharge totals annually. In FY22/23, the data was verified by TÜV SÜD. 100% of the facilities listed in 5.1 were included in the total global water withdrawal volume that was verified.

**Please explain**

<Not Applicable>

#### Water withdrawals – volume by source

**% verified**

76-100

**Verification standard used**

ISAE 3000 standard is used to externally verify Lenovo's total global water withdrawal and water discharge totals annually. In FY22/23, the data was verified by TÜV SÜD. 100% of the facilities listed in 5.1 were included in the total global water withdrawal volume that was verified.

**Please explain**

<Not Applicable>

#### Water withdrawals – quality by standard water quality parameters

**% verified**

Not relevant

**Verification standard used**

<Not Applicable>

**Please explain**

The vast majority of Lenovo's water comes from third parties who have treated the water to specific standards, this includes the facilities mentioned in 5.1. Because water is treated to local standards before delivery to the site, Lenovo does not consider verifying withdrawals by water quality parameters relevant at this time. In addition, the potential risk mentioned in W4.1c are not quality-related.

#### Water discharges – total volumes

**% verified**

76-100

**Verification standard used**

ISAE 3000 standard is used to externally verify Lenovo's total global water withdrawal and water discharge totals annually. In FY22/23, the data was verified by TÜV SÜD. 100% of the facilities listed in 5.1 were included in the total global water discharge volume that was verified.

**Please explain**

<Not Applicable>

#### Water discharges – volume by destination

**% verified**

76-100

**Verification standard used**

ISAE 3000 standard is used to externally verify Lenovo's total global water withdrawal and water discharge totals annually. In FY22/23, the data was verified by TÜV SÜD. 100% of the facilities listed in 5.1 were included in the total global water discharge volume that was verified.

**Please explain**

<Not Applicable>

#### Water discharges – volume by final treatment level

**% verified**

Not relevant

**Verification standard used**

<Not Applicable>

**Please explain**

Because the potential risks mentioned in W4.1c are not discharge-related, site specific discharge data verification is not relevant at this time.

#### Water discharges – quality by standard water quality parameters

**% verified**

Not relevant

**Verification standard used**

<Not Applicable>

**Please explain**

Because the potential risks mentioned in W4.1c are not discharge-related, site specific discharge data verification is not relevant at this time.

#### Water consumption – total volume

**% verified**

Not relevant

**Verification standard used**

<Not Applicable>

**Please explain**

Lenovo does not directly consume water in its manufacturing processes. Any water consumption is minor and is mainly from evaporation during cooling and infiltration/runoff during landscape irrigation with some possible minor consumption through employee use. Because Lenovo's water consumption is minor, Lenovo does not consider verification relevant. In addition, the potential risk mentioned in W4.1c are not consumption-related.

## W6. Governance

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### W6.1

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**(W6.1) Does your organization have a water policy?**

Yes, we have a documented water policy that is publicly available

### W6.1a

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**(W6.1a) Select the options that best describe the scope and content of your water policy.**

	Scope	Content	Please explain
Row 1	Company-wide	<p>Description of the scope (including value chain stages) covered by the policy</p> <p>Description of business dependency on water</p> <p>Description of business impact on water</p> <p>Commitment to align with international frameworks, standards, and widely-recognized water initiatives</p> <p>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace</p> <p>Commitment to water stewardship and/or collective action</p> <p>Commitments beyond regulatory compliance</p> <p>Reference to company water-related targets</p> <p>Acknowledgement of the human right to water and sanitation</p> <p>Recognition of environmental linkages, for example, due to climate change</p>	<p>Lenovo has a company-wide, publicly available Water Resiliency Policy. Previously, Lenovo's publicly available Environmental Affairs Policy was the main policy addressing water, but in 2020 it was determined that water warranted a stand-alone corporate level policy to aggregate all current water-related commitments and to set a corporate vision to guide the future evolution of Lenovo's water practices. The policy was developed by the corporate Global Environmental Affairs and Sustainability (GEA&amp;S) team (which has since been renamed the Global ESG team) and reviewed and approved by Lenovo's ESG Executive Oversight Committee (ESG EOC) at their November 2020 meeting. The resulting policy was published on Lenovo's website in February of 2021.</p> <p>While the magnitude of Lenovo's water dependency and impacts varies across its operations and supply chain, the scope of the Water Resiliency Policy is Lenovo's worldwide operations. The foundation of the company-wide policy is its acknowledgement of the human right to water and sanitation and commitment to ensure workplace WASH services across the entire company and supply chain.</p> <p>This published policy contains a statement of the issues that acknowledges the linkages with climate change, a statement about Lenovo's dependence and impacts on water, and a summary of the water-related commitments and standards that apply to Lenovo's direct operations and to Lenovo's supply chain, as well as an overall commitment to transparency in this area. In addition, the policy includes a commitment to meet all applicable environmental requirements plus voluntary commitments (beyond regulatory compliance), including international standards and the United Nations Sustainable Development Goals. The policy stresses continual improvement in the area through the setting of company targets and goals and efforts to incorporate innovation and collective action as appropriate to reach goals.</p> <p>All of Lenovo's environmental policies are designed to be evergreen, but to ensure they remain valid and up to date they are annually reviewed. During this review process, minor changes can be made in consultation with the effected groups and any major changes would go back through the ESG EOC for approval.</p>

**W6.2**

**(W6.2) Is there board level oversight of water-related issues within your organization?**

Yes

**W6.2a**

**(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.**

Position of individual or committee	Responsibilities for water-related issues
Director on board	<p>Water-related issues are part of Lenovo's ESG programs. Oversight for the programs is the responsibility of the Board with some tasks delegated by the CEO to the ESG Executive Oversight Committee (ESG EOC) and with day-to-day management and oversight by the Chief Legal &amp; Corporate Responsibility Officer (CL&amp;CRO, similar to CSO) as described below.</p> <p>The full Board of Directors of Lenovo Group Limited has the overall responsibility on ESG matters through the governance structure outlined in Lenovo's "Statement on Oversight and Management of Environmental, Social, and Governance Issues" included in Lenovo's FY22/23 ESG Report.</p> <p>Ownership (direct responsibility) for water management and Objectives and Targets lie with Lenovo's CL&amp;CRO who has specific responsibility for water-related issues.</p> <p>Certain additional ESG responsibility has been formally delegated from the Board to the ESG EOC which is chaired by the CL&amp;CRO. Updates on ESG issues, including topics discussed by the ESG EOC, are also provided to the Board and/or its Committees from the CL&amp;CRO and/or the Executive Director, Global ESG &amp; Regulatory Compliance who reports to the CL&amp;CRO.</p> <p>Notable Action: For the past two years the Board has approved Lenovo's ESG Report prior to its publication. The report includes a section on Lenovo's water management, progress on annual water targets, a description of our commitment to the UN CEO Water Mandate, and data on Lenovo's water withdrawals and discharges.</p>

**W6.2b**

**(W6.2b) Provide further details on the board’s oversight of water-related issues.**

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Reviewing and guiding corporate responsibility strategy Reviewing and guiding risk management policies	Information about Lenovo’s water management efforts is included in the ESG Report which is approved by the Board of Directors annually. This annual report includes coverage of water related topics. Through this scheduled report approval, the Board monitors Lenovo’s ESG implementation and performance, including water management.  Additional briefings can be proposed by the Chief Legal & Corporate Responsibility Officer based on input from the Global ESG team and information gathered from business units and sites. The topic of water resiliency (within Lenovo and its importance to stakeholders) was included as part of the Board’s August 2021 ESG update. In 2022, water was again included in an update on ESG trends and opportunities.  In addition, the Board through delegation to the Audit Committee has the overall responsibility for Lenovo’s risk management and internal controls. The Audit Committee, a Board level committee, is tasked with reviewing risk management policies, including the Company’s ERM which during FY22/23 considered ESG risks and two additional risk categories potentially related to water - business interruption/concentration and natural disasters such as earthquakes, tsunamis, etc, and other external risks that could risk the safety of our employees, severely disrupt the supply chain, and affect operations.

**W6.2d**

**(W6.2d) Does your organization have at least one board member with competence on water-related issues?**

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	Yes	Lenovo’s Nomination and Governance Committee has primary responsibility for appointing new directors. The Nomination and Governance Committee’s assessment of the candidates includes, but not limited to, consideration of the relevant knowledge and diversity of backgrounds, skills, experience and perspectives that would complement the existing Board. The Nomination and Governance Committee also ensures that candidates satisfy the requisite skills and core competencies to be deemed fit and proper, and to be appointed as director. One of the current board members is a member of the Sustainable Development Solutions Network Association and the Climate Oversight Commission. This Board member has also written on the topic of climate risk including as one of the authors of the Chinese book “Risk Governance on Climate Change” issued in 2014 and a 2019 article titled “Low-carbon innovation induced by emissions trading in China”. ESG matters, including climate- and water-related risks, are evolving quickly. As part of the Board’s continuous professional development program, Directors from time to time receive training on ESG matters including anti-corruption, climate- and water-related risks, and other topics in the form of presentations from ESG professionals. This facilitates Board members’ understanding of the Company’s ESG practices, supports the continuous development of ESG competencies within the Board’s skills matrix, and increases awareness of ESG impacts on the Company’s operations. A Board evaluation process is conducted every two years which aims to evaluate the performance and effectiveness of the Board and provide valuable opportunity for continuous improvement.  In addition to periodic ESG training, the Board was provided quarterly ESG newsletters in FY22/23. The ESG newsletter is prepared by Lenovo’s internal ESG team and provided approx. quarterly. Lenovo’s internal ESG team is comprised of subject matter experts in ESG and specific ESG topics material to Lenovo’s business. The ESG team designs the content of the newsletter to educate the Board members on pertinent ESG happenings within the business and larger ESG landscape with the goal of supporting the Board member’s continuous professional development. In FY22/23, the ESG newsletter included information on the following: Lenovo’s SBTi validated Net-Zero Climate Targets, Lenovo’s participation in standards related to Carbon neutrality in China, and updates on Lenovo’s recognition in this area.	<Not Applicable>	<Not Applicable>

**W6.3**

**(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).**

**Name of the position(s) and/or committee(s)**

Other C-Suite Officer, please specify (Chief Legal & Corporate Responsibility Officer)

**Water-related responsibilities of this position**

- Assessing water-related risks and opportunities
- Managing water-related risks and opportunities
- Monitoring progress against water-related corporate targets

**Frequency of reporting to the board on water-related issues**

Annually

**Please explain**

Lenovo’s Chief Legal & Corporate Responsibility Officer (CL&CRO, similar to a CSO) has management responsibility for ESG and is accountable for water-related performance. Day-to-day water management occurs under Lenovo’s EMS. Lenovo’s Executive Director of Global ESG & Regulatory Compliance (ED) who reports to the CL&CRO has responsibility for the EMS. The CL&CRO receives updates during scheduled 1:1 meetings with the ED. Based on 1:1s and other discussions, the CL&CRO approves the ESG EOC agenda. The CL&CRO with support from numerous teams approves critical ESG content for Board review. Information about Lenovo’s water management is included in the ESG Report which the CL&CRO and/or the ED presents to the Board annually for approval. The Report includes all water-related requirements of GRI and HKEX, such as how Lenovo’s manages water as a shared resource, water data (including from stressed areas), and progress towards water targets.

**W6.4**

**(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?**

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	

**W6.4a**

**(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?**

	Role(s) entitled to incentive	Performance indicator	Contribution of incentives to the achievement of your organization's water commitments	Please explain
Monetary reward	Other C-suite Officer (Former Chief Corporate Responsibility Officer)	Supply chain engagement Other, please specify (Drive progress in Lenovo's climate change mitigation programs (including emissions reductions targets and supporting projects) and water resource management programs (including supply chain engagement))	Link to progress on water commitments: Lenovo views climate change mitigation as foundational to its water resiliency policy. Lenovo's climate change mitigation programs aim to limit global temperature rise and, therefore, minimize water-related impacts of climate change, therefore progress towards this KPI can lead to better water resiliency. Progress in water resource management, helps support Lenovo's annual water goal and target. Because of Lenovo's dependence on water in the supply chain, progress on supply chain engagement on water management is also important to furthering the Company's water resiliency. Rationale: The KPI reflects Lenovo's climate and water program maturity as of 2022. In 2022, Lenovo established net-zero targets. In acknowledgement of the water impacts of the supply chain, supply chain engagement was specifically included. Company-specific examples, and future benefits: In 2022, the progress towards Lenovo's science based emission reduction targets, pursuit of a validated net-zero target, progress on water target, and further incorporation of CDP and Ecovadis platform into supplier management were related to this KPI.	The timeframe of the performance indicator(s): Employee KPIs are reviewed annually and revised as necessary to ensure KPIs are relevant and set an appropriate level of ambition. The regional, sectoral, and/or operational context - This KPI applies company-wide and covers Lenovo's operations and value chain. The threshold used to indicate successful performance: Successful performance is indicated by progress towards Lenovo's SBTi-validated 2030 and 2050 targets, as well as, progress towards Lenovo's annual water target under its EMS and greater engagement with suppliers on the topic either through number of suppliers engaged or level of engagement. How performance impacts the incentive/reward: Progress towards KPIs influences promotions, raises, and bonuses. As it relates to bonus allocation, progress on KPIs leads to an increase in a bonus multiplier. This means that progress and improvement towards climate mitigation and water resiliency programs, including supply chain engagement, could lead to a greater bonus multiplier resulting in a larger allocation for the CRO. Due to a retirement in this role during the reporting period, this KPI was in place for 75% of the reporting period.
Non-monetary reward	No one is entitled to these incentives	<Not Applicable>	<Not Applicable>	No one at Lenovo is currently provided non-monetary rewards in this area.

**W6.5**

**(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?**

Yes, other

**W6.5a**

**(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?**

In FY21/22, Lenovo participated in the Water Expert Ad Hoc Group for the Electronic Product Environmental Assessment Tool (EPEAT). EPEAT is a method for purchasers (governments, institutions, consumers, etc.) to evaluate the effect of a product on the environment. It is managed by the Global Electronics Council (GEC). In FY21/22, as GEC considered adopting new criteria related to water, GEC convened the Water Expert Ad Hoc Group to collect industry input on their draft criteria. Lenovo's process for assuring consistency between this activity and its other commitments was to make sure feedback given to GEC was consistent with and supported by Lenovo's corporate water policy and other commitments. In this instance, the new criteria being reviewed pertained to water accounting. Because Lenovo is already committed to disclosing annual water accounting information in alignment with GRI and CDP, Lenovo sought to give feedback that would better align EPEAT's draft water criteria with these existing disclosure platforms. When inconsistencies were discovered, it was Lenovo's approach to submit their suggestions with reasoning behind their differing point of view and to stay involved with the process so that Lenovo's point of view continued to be considered as the draft evolved.

**W6.6**

**(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?**

Yes (you may attach the report - this is optional)

**W7. Business strategy**

**W7.1**

**(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	21-30	In FY20/21, in response to increasing investor and customer expectations, Lenovo made two high-level decisions that were important steps in beginning to formulate water-related, long-term objectives. Lenovo established a corporate water policy to guide the company on water-related progress and endorsed the UN CEO Water Mandate to ensure alignment with broader collective commitments. Both of these are intended to be long-term, evergreen commitments that will help Lenovo begin to develop more business-specific objectives, targets, and strategies. More broadly, Lenovo believes any sound water stewardship and/or security program must be based on the transition to a 1.5°C world. Because of the number of physical climate risks that are water-related, a 1.5°C world by 2050 is necessary to avoid remaining avoidable water risks. Lenovo announced a SBTi-validated net-zero by 2050 target in January 2023. Additionally, Lenovo is committed to working with insurance partners to ensure physical assets are protected, including from flooding, and continual improvement of supply chain programs, including the collection of information related to supplier water impact and risk.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	21-30	Lenovo believes any sound water stewardship and/or security program must be based on the transition to a 1.5°C world. Because of the number of physical climate risks that are water-related, a 1.5°C world is necessary to avoid remaining avoidable water risks. Lenovo strategy was to be deliberate about not making a net-zero claim until one could be aligned with a global scientific standard. Lenovo supported the development of a standard aligned with the latest climate science and was selected to road test the Science Based Targets initiative (SBTi) Net-Zero Standard before it was launched in October 2021. In March 2022, Lenovo signed the SBTi Commitment Letter pledging to set net-zero targets, including a long-term science-based target. Lenovo has responded to the 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 and it became part of the United Nations Framework Convention on Climate Change (UNFCCC) Race to Zero campaign. Lenovo announced a SBTi-validated net-zero by 2050 target in January 2023.  Water is included in Lenovo's Climate Transition Plan. In the coming years, as Lenovo continues to develop its Climate Transition Plan and begins TCFD reporting, water-related issues will likely become more directly incorporated into Lenovo's strategy for achieving long-term objectives related to climate adaptation.
Financial planning	Yes, water-related issues are integrated	21-30	Lenovo believes any sound water stewardship and/or security program must be based on the transition to a 1.5°C world. Because of the number of physical climate risks that are water-related, a 1.5°C world is necessary to avoid remaining avoidable water risks. Lenovo was deliberate about not making a net-zero claim until one could be aligned with a global scientific standard. While waiting for the release of SBTi's Net-Zero Standard, Lenovo performed an initial financial and feasibility study to size the next steps to support a path to net-zero by 2050.  Water is included in Lenovo's Climate Transition Plan. In the coming years, as Lenovo continues to develop its Climate Transition Plan and begins TCFD reporting, water-related issues may become more directly incorporated into Lenovo's financial planning.

**W7.2**

**(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

**Row 1**

**Water-related CAPEX (+/- % change)**

-60

**Anticipated forward trend for CAPEX (+/- % change)**

-2

**Water-related OPEX (+/- % change)**

10.9

**Anticipated forward trend for OPEX (+/- % change)**

5

**Please explain**

Because some sites are leased spaces paying one utility bill (water, waste, & electricity), Lenovo's accounting system tracks total utility spending and the corporate ESG team supplements this with site specific knowledge of water expenditures. During FY22/23, there were two projects involving CAPEX, including pipe upgrades and purchase of valves to reduce water use. Between FY22/23 and FY21/22, CAPEX went from US\$51,500 to US\$20,500 (decreased by 60%). Lenovo has one water-related CAPEX project planned in FY23/24 and expects a forward trend of -2% (based on anticipated costs). Between FY22/23 and FY21/22, OPEX increased by approx. 10.9%. This increase can likely be attributed to the continued return of employees to many offices after 2 years of working from home, employee headcount growth, and utility price increases. Lenovo expects OPEX to continue to slightly increase as workers return to the office and our workforce continues to grow (~+5).

**W7.3**

**(W7.3) Does your organization use scenario analysis to inform its business strategy?**

	Use of scenario analysis	Comment
Row 1	Yes	Lenovo performed exploratory climate-related scenario analysis using the GeSI-CDP Scenario Analysis Toolkit which is based on the TCFD requirements and guidance on scenario analysis. Lenovo selected 4 climate-related scenarios to start understanding the impacts of identified physical and transition risks and opportunities. Lenovo looked at 1.5, 2, 2.6, & 4°C warming pathways and time horizons went out to 2030, 2040 and 2050. The scope of the scenario analysis considered all Lenovo locations and the supply chain. Annually, Lenovo also assesses future water impacts specifically using the forward looking indicators in WRI Aqueduct and WWF Water Risk Filter at direct operations and supplier locations. Both of these tools model future water risks based on both climate and socioeconomic drivers. The risk indicators from these tools were used to inform the inputs related to water and weather pattern change in the GeSI-CDP Scenario Analysis Toolkit.

**W7.3a**

**(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.**

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Water-related Climate-related Socioeconomic	<p>Lenovo performed exploratory scenario analyses using the GeSI-CDP Scenario Analysis Toolkit which is based on TCFD's requirements and guidance. Lenovo selected the following warming pathways: 1.5°C; 2°C; 2.6°C &amp; 4°C. It included the following assumptions and parameters, specific assumptions and parameters varied by scenario: (1) Global emissions increase/decrease (2) level of increase in physical impacts (3) global policy response (4) technological impacts (5) Population growth (6) GDP growth (7) carbon pricing (8) Global energy demand (9) changes to energy mix (10) technology investment.</p> <p>Analytical choices included: (1) time horizons of 2030, 2040 &amp; 2050 which are relevant to Lenovo given its 2030 science-based emission reduction targets and plan for a 2050 net-zero target (2) a company-wide scope considering all Lenovo's locations and supply chain, (3) financial inputs from Lenovo's balance sheet; identified climate change risks as reported to CDP; and identified climate change opportunities as reported to CDP, (4) Time horizon for those risks and opportunities were either short (0-1 year) or medium (1-10 years) with corresponding likelihoods and magnitude of impacts of each risk and opportunity under each scenario, (5) the percent change for each financial driver for physical risks were based on location of sites and suppliers and for transition risks and opportunities on high level impact ranges determined by the Global ESG team, (6) assumptions about the impact of water-related risks were informed by similar scenarios in the WRI Aqueduct and WWF Water Risk Filter which are based on SSPs (specifically, SSP2 and SSP3).</p>	<p>Lenovo's scenario analysis exercise using the GeSi-CDP Scenario Analysis Toolkit included two water-related risks – rising sea levels (chronic physical risk) and increase severity and frequency of extreme weather events such as cyclones and floods (physical acute). Both rising sea levels and increased severity and frequency of extreme weather had a probable negative impact on EBT across all four scenarios mainly through increased operating expenses.</p>	<p>Lenovo recognizes that water risks are tied to global temperature change, as evidenced in the company's scenario analysis. Lenovo's initial scenario analysis exercises have further illustrated the impact that climate change will have on the company's water resiliency. Under the scenario aligned with 1.5°C, the impact of the water-related risks is lower. One of the company's actions that helps respond to these results is Lenovo's SBTi-validated net-zero by 2050 target which aligns to a 1.5°C global temperature change. Lenovo further manages this risk through an emergency preparedness and response planning program including adequate insurance to protect our employees, customers, assets, and investors. Each manufacturing site is required to update their weather response procedure and emergency response plan annually. In addition, Lenovo will continue to assess, monitor and appropriately respond to water risk exposure in our operations and supply chain.</p>

**W7.4**

**(W7.4) Does your company use an internal price on water?**

Row 1

**Does your company use an internal price on water?**

No, but we are currently exploring water valuation practices

**Please explain**

Lenovo acknowledges the true value of water is not accounted for in today's markets and internal water pricing could help better quantify the benefits of water-related investments and prepare Lenovo for future increases in the price of water. Given this Lenovo monitors the emerging practice of water valuation, looking into available methodologies, and how they could be applied to its business. As a first step, Lenovo explored Ecolab's Water Risk Monetizer to better understand the monetary value of incoming and outgoing water risks and the potential revenue at risk at its global manufacturing locations. Moving forward, Lenovo plans to continue monitor the practice and tools available and may utilize to prioritize facility-level actions and to explore risk-adjusted costs and returns of potential investments.

**W7.5**

**(W7.5) Do you classify any of your current products and/or services as low water impact?**

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, and we do not plan to address this within the next two years	<Not Applicable >	Important but not an immediate business priority	Lenovo would define a low water impact product as one that interacts with water directly in use, but has been designed to use less water or pollute water less. The majority of Lenovo's products and services do not directly use water and only have indirect water impacts from the energy used to power them so the main priority for Lenovo is in developing low energy products. Lenovo has programs and targets to support increased energy efficient products which in turn impacts their indirect water footprint. In 2018 Lenovo introduced Neptune liquid cooling for data centers. These are its only products that use water directly. Customers can install these systems with a closed loop requiring only some volume of make-up water over time during maintenance. The systems require minimal direct water use to reduce energy use by 30-50%. Depending on data center configuration, Neptune could have a net decrease in overall water footprint when considering indirect use for HVAC and on the energy grid.

**W8. Targets**

**W8.1**

**(W8.1) Do you have any water-related targets?**

Yes

**W8.1a**



**(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.**

	Target set in this category	Please explain
Water pollution	No, but we plan to within the next two years	In order to increase the score of Lenovo products on the EPEAT registry, Lenovo may establish a target within the next two years related to the collection of water pollution information (wastewater quality data and treatment level) from select suppliers. EPEAT is in the process of developing new optional water criteria. Once the new criteria are finalized, which would likely be in the next two years, Lenovo may pursue these optional points by collecting additional water data including supplier water quality data.
Water withdrawals	Yes	<Not Applicable>
Water, Sanitation, and Hygiene (WASH) services	No, but we plan to within the next two years	Lenovo is considering whether a target is appropriate to guide its partnership with Wine to Water, a non-profit organization committed to supporting life and dignity for all through the power of clean water.
Other	No, and we do not plan to within the next two years	Lenovo does not currently have other water-related targets or plans to establish any water-related targets that would not fall into the three categories in the rows above.

**W8.1b**

**(W8.1b) Provide details of your water-related targets and the progress made.**

**Target reference number**

Target 1

**Category of target**

Water withdrawals

**Target coverage**

Company-wide (direct operations only)

**Quantitative metric**

Other, please specify (Maintain per person withdrawal intensity (no more than 5% change YTY))

**Year target was set**

2021

**Base year**

2021

**Base year figure**

20.9

**Target year**

2022

**Target year figure**

19.85

**Reporting year figure**

19.5

**% of target achieved relative to base year**

133.333333333334

**Target status in reporting year**

Achieved

**Please explain**

In the dropdown menus for this item, 2021 indicates FY21/22 and 2022 indicates FY22/23. The target reflects Lenovo's goal of maintaining operational control of water withdrawals and discharges. Lenovo monitors and tracks water withdrawals in its reporting boundary, has the data externally audited, and compares it to the previous year in relation to employee headcount. Because Lenovo's primary water use is WASH services and its workforce continues to grow, a target of maintaining per person water withdrawals is appropriate for Lenovo at this time. In FY21/22, Lenovo's per person water withdrawal was 20.9 cubic meters per person. The target was to maintain this value year-to-year by not exceeding a 5% increase. As an absolute value this meant keeping per person water withdrawal between 19.855 and 21.945 cubic meters per person in FY22/23. In FY22/23, this target was achieved by having a per person water withdrawal intensity of 19.467 cubic meters per person (a 6.9% decrease).

**W9. Verification**

**W9.1**

**(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?**

Yes

**W9.1a**

**(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?**

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	Lenovo's Water withdrawal and water discharge totals are verified by a third-party. In FY22/23, the data was verified by TÜV SÜD. In W1, the verified data was used to answer W1.2b, W1.2d, 1.2h, W1.2i, W1.2j and W1.3.	ISAE 3000	Lenovo chooses to verify energy, water, and waste data. Lenovo verifies this data because the data is used to set targets and objectives and is reported externally so having accurate, verified data is important. Furthermore, energy, wastewater, and waste data are used to determine emissions data. These verifications are completed annually (following the end of each fiscal year). The scope of the water data verification is company-wide, according to the reporting boundary mentioned in 0.5 and all the exclusions mentioned in 0.6a except the small office exclusion; the verified data is based on all reported water data including 13 of 125 small offices that voluntarily reported partial water data.
W8 Targets	Lenovo's Water withdrawal and water discharge totals are verified by a third-party. In FY22/23, the data was verified by TÜV SÜD. In W8, this data was used to answer W8.1b.	ISAE 3000	Lenovo chooses to verify energy, water, and waste data. Lenovo verifies this data because the data is used to set targets and objectives and is reported externally so having accurate, verified data is important. Furthermore, energy, wastewater, and waste data are used to determine emissions data. These verifications are completed annually (following the end of each fiscal year). The scope of the water data verification is company-wide, according to the reporting boundary mentioned in 0.5 and all the exclusions mentioned in 0.6a except the small office exclusion; the verified data is based on all reported water data including 13 of 125 small offices that voluntarily reported partial water data.

**W10. Plastics**

**W10.1**

**(W10.1) Have you mapped where in your value chain plastics are used and/or produced?**

	Plastics mapping	Value chain stage	Please explain
Row 1	Yes	Direct operations Supply chain	Plastic is present in Lenovo's value chain within in the components Lenovo purchases, the products Lenovo assembles, and the packaging Lenovo purchases to ship its products. In the products, plastic is included in many components, such as plastic covers for laptops. Within Lenovo's packaging, plastic can serve many purposes of protecting high value products during shipment, and can be used in many packaging items including packaging tape to shut boxes, shrink wrapping to secure many items on a pallet, EPS protective packaging, or plastic bags for equipment manuals. Currently, Lenovo requests recycled plastic data from its component suppliers. Because of the diversity (many products) and complexity (many components of mixed materials) of Lenovo's products, total plastic use in products and packaging can only be estimated at this time.

**W10.2**

**(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?**

	Impact assessment	Value chain stage	Please explain
Row 1	Yes	Direct operations Supply chain Other, please specify (Product end of life)	<p>Lenovo recognizes the environmental and human health impacts of the company's plastic use. Lenovo purchases components with plastic parts and uses plastic in the assembly of its final products. Lenovo also uses plastic in its primary and secondary packaging. In Lenovo's upstream value chain, Lenovo's demand for plastic has the impacts associated with the GHG emissions that occur with plastic production. In Lenovo's direct operations, any plastic manufacturing scrap has the potential to impact the environment and human health if mismanaged. In Lenovo's downstream value chain, Lenovo's plastic packaging and products have the potential to impact the environment and human health when the waste is mismanaged at the product's end of life.</p> <p>To better understand the quantitative impacts of its products Lenovo conducts Life Cycle Assessments (LCAs) on select products which look at the full life cycle and design process, including plastic use and its impacts.</p> <p>Lenovo strives to minimize the impacts of its plastic use. For many years under the company's EMS, annual targets have been set related to increasing the use of recycled plastics, in particular closed-loop recycled content, in products and packaging and decreasing plastic packaging. These targets help minimize the impacts of plastic across the value chain. In addition, Lenovo offers consumer take-back programs and asset recovery services to help ensure our products are responsibly managed at the end of life.</p>

**W10.3**

**(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.**

	Risk exposure	Value chain stage	Type of risk	Please explain
Row 1	Yes	Direct operations	Regulatory Reputational	<p>Lenovo has two processes for identifying substantive financial or strategic impact – the Enterprise Risk Management (ERM) and Significant Environment Aspects (SEAs) under Lenovo's ISO14001 Environmental Management System. While plastic-related risks could be considered in the ERM under the category ESG risks, it has not been identified as substantive to date. Under the EMS, product materials and product packaging were identified as SEAs in FY22/23.</p> <p>As a global company operating in many markets, Lenovo could experience financial impact as additional countries implement plastic bans and plastic taxes.</p> <p>Lenovo's customers care about reducing the impact of product materials and packaging. If Lenovo were to not continue to reduce the impact of its product materials and packaging, it could impact Lenovo's reputation with customers. Both the regulatory and reputation risks, could impact Lenovo's business in certain markets.</p>

**W10.4**

**(W10.4) Do you have plastics-related targets, and if so what type?**

	Targets in place	Target type	Target metric	Please explain
Row 1	Yes	Plastic polymers Plastic packaging Plastic goods	Increase the proportion of post-consumer recycled content in plastic polymers Reduce the use of plastics additives Eliminate problematic and unnecessary plastic packaging Increase the proportion of post-consumer recycled content in plastic packaging	<p>During the reporting period, Lenovo had the following plastic-related packaging targets under its EMS:</p> <ul style="list-style-type: none"> <li>-Eliminate 100,000 km of single use plastic packaging tape by 2025 (starting from 2018).</li> <li>-Accomplish plastic-free packaging for one MBG telecom customer.</li> <li>-Introduce recycled content PE to ISG cushioning foams.</li> <li>-Introduce recycled plastic bag (made from 30% ocean bound recycle) to all ISG products.</li> <li>-Identify five new Lenovo products for which to implement use of 100% renewable bio-based packaging.</li> <li>-By CY 2024, increase the recycled ratio of PE from 70% to 95% (ISG).</li> <li>-By FY 2025/26, 90% of PC products plastic packaging will be made from recycled materials. (Measured by weight and excludes tablets, accessories and monitors.)</li> <li>-By FY 2025/26, 60% of smartphones products plastic packaging will be made from recycled materials.</li> <li>-By FY 2025/26, smartphone packaging will use 50% less single-use plastics and reduce in size/volume by 10%. (Relative to FY 2020/21 and excludes RAZR and Lenovo smartphone packaging.)</li> </ul> <p>During the reporting period, Lenovo had the following plastic-related product targets under its EMS:</p> <ul style="list-style-type: none"> <li>-By FY 2025/26, 100% of PC products will contain postconsumer recycled content materials. (Excludes tablets and accessories.)</li> <li>-By FY 2025/26, we will use 300 million pounds of postconsumer recycled content plastics in our products (cumulative since 2005).</li> <li>-From April 1, 2022, at least one product needs to meet higher PCC levels for new products: DT/Workstation/AIO 35%, NB 10%, Tablet 5%, Visual 50%, Servers 10% and Smartphones 5%.</li> <li>-For products requiring TCO 9 certification, the power PCB laminate of the internal/external power supply unit must not contain intentionally added (additive or reactive) flame retardants or plasticizers with halogenated substances.</li> </ul>

**W10.5**

**(W10.5) Indicate whether your organization engages in the following activities.**

	Activity applies	Comment
Production of plastic polymers	No	Lenovo does not produce any plastic polymers. Lenovo does not produce any plastic polymers. Lenovo purchases purchases components, parts, products, and packaging made with plastic from suppliers.
Production of durable plastic components	No	Lenovo does not produce components. Lenovo manufactures final products.
Production / commercialization of durable plastic goods (including mixed materials)	Yes	Lenovo produces and commercializes durable goods composed of mixed materials including plastic. Lenovo products include computers, tablets, smartphones, smart devices, servers, and computer accessories.
Production / commercialization of plastic packaging	No	Lenovo does not produce any plastic packaging. Lenovo purchases the packaging materials for its products from suppliers.
Production of goods packaged in plastics	Yes	Lenovo's goods are packaged in mixed materials that include plastic. In recent years, Lenovo has begun to replace some single-use plastic packaging with alternative materials.
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	No	Lenovo does not provision goods in plastic packaging.

**W10.7**

**(W10.7) Provide the total weight of plastic durable goods/components sold and indicate the raw material content.**

**Row 1**

**Total weight of plastic durable goods/components sold during the reporting year (Metric tonnes)**

26141

**Raw material content percentages available to report**

- % virgin fossil-based content
- % post-industrial recycled content
- % post-consumer recycled content

**% virgin fossil-based content**

60

**% virgin renewable content**

<Not Applicable>

**% post-industrial recycled content**

2

**% post-consumer recycled content**

38

**Please explain**

Data regarding plastic in Lenovo's products is not currently tracked for all product categories. The data reported here includes the following categories of Lenovo products: commercial notebooks, desktops, workstations, and monitors. The data excludes the following categories of Lenovo products: consumer notebooks, smartphones, servers, and accessories. The calculation is done according to the IEEE Standard for Environmental and Social Responsibility Assessment of Computers and Displays which allows for the exclusion of the following: Printed circuit boards, labels, cables, connectors, electronic components, optical components, ESD components, EMI components, adhesives, and coatings. Some of Lenovo's products are less than 50% plastic by weight. This is the case for Lenovo's server products.

**W10.8**

**(W10.8) Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.**

	Total weight of plastic packaging sold / used during the reporting year (Metric tonnes)	Raw material content percentages available to report	% virgin fossil-based content	% virgin renewable content	% post-industrial recycled content	% post-consumer recycled content	Please explain
Plastic packaging sold	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Plastic packaging used	8563	% virgin fossil-based content % post-industrial recycled content % post-consumer recycled content	61	<Not Applicable>	37	2	This data includes packaging for Lenovo's notebooks, desktops, monitors, smartphones, and servers. It does not include packaging for Lenovo's tablets, optional components, and accessories. Across all Lenovo's products, the majority of packaging (>50% by weight) is cardboard. Lenovo has the following KPI related to plastic packaging: By FY 2025/26, 90% of PC products plastic packaging will be made from recycled materials (measured by weight and excludes tablets, accessories and monitors). Lenovo's smartphone business has a goal of achieving plastic-free packaging; right now <5% of per unit packaging is plastic. Packaging for Lenovo's monitors utilizes EPS for protection, but Lenovo is working on a plan to phase-out EPS from monitor packaging. The company launched the first packaging cushion containing OBP in ThinkPad L14 packaging. In FY 2022/23, the company expanded the use of OBP to new ThinkPad L series, select desktop/AIO and consumer notebooks as packaging cushions or system bags.

**W10.8a**

**(W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.**

	Percentages available to report for circularity potential	% of plastic packaging that is reusable	% of plastic packaging that is technically recyclable	% of plastic packaging that is recyclable in practice at scale	Please explain
Plastic packaging sold	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Plastic packaging used	% reusable % technically recyclable % recyclable in practice and at scale	0	100	9	Lenovo has not intentionally designed any of its plastic packaging to be reusable. Lenovo packaging design baseline is that all packaging be technically recyclable. Lenovo has reviewed Ellen MacArthur Foundation's 2023 Recyclability Assessment Tool, but would need more granular data collection to make use of the tool. In lieu of this, because Lenovo is a global company operating in markets across the world, it assumes that recycling of the plastic portions of its packaging in practice is likely near to the global plastic recycling rate of 9% (per OECD's Global Plastic Outlook report from 2022).

**W11. Sign off**

**W-FI**

**(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

**W11.1**

**(W11.1) Provide details for the person that has signed off (approved) your CDP water response.**

	Job title	Corresponding job category
Row 1	Chairman of the Board and Chief Executive Officer	Board chair

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Submit your response

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**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

**Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.**

Yes, CDP may share our Main User contact details with the Pacific Institute

**Please confirm below**

I have read and accept the applicable Terms