

W0. Introduction

W0.1

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

Lenovo (HKSE: 992) (ADR: LNVGY) is a US\$70 billion revenue global technology powerhouse, ranked #159 in the Fortune Global 500, employing 75,000 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 leading PC player by expanding into new growth areas of infrastructure, mobile, solutions and services. This transformation together with Lenovo's world-changing innovation is building a more inclusive, trustworthy, and sustainable digital society 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 employees and any visitors at our workspaces around the world, as well as requiring our 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 our direct operations, while further studying the current and future water risks within our 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 our efforts to achieve results consistent with environmental leadership and ensures the Company is vigilant in protecting the environment across all of our 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 our 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 our 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 improve water security, including access to sufficient quantity and quality of water.

W0.2

(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 2021	March 31 2022

W0.3

(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
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
Venezuela (Bolivarian Republic of)
Viet Nam

W0.4

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

USD

W0.5

(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 (<100 employees) and retail locations.	Lenovo defines small offices as offices with less than 100 employees. In FY21/22, Lenovo operated 125 small offices. 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 services with other building tenants. This exclusion represents approximately 5.8% of Lenovo's global employee headcount which is likely close to 5% of water use because many small offices still have some staff working from home some of the time.
Activities - Rainwater collection	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).
Activities - Dormitories	Lenovo operates employee dormitories at one manufacturing facility. Water use at the two Lenovo-operated dormitories are excluded from all our company wide monitoring and thus are excluded from our disclosures except when discussing WASH services and RBA Audits.
Facilities – Facilities Under Construction	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 FY21/22 in module W1. When the sites become operational Lenovo will include them in our reporting including our CDP Water responses.

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

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	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 our ~75,000 employees and, therefore, considers access to adequate quality and quantities of freshwater important to direct operations. Our employees are key to our success and access to water is a basic human right we are committed to providing at all our sites. Our 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. In the near term, Lenovo anticipates an increase in dependency as employees return to work onsite as Covid-19 protections are lifted. In the longer term, Lenovo anticipates dependency to remain constant; although the Company may continue to experience organic growth and increases in headcount will result in increases in total water use, Lenovo will strive to reduce per person freshwater withdrawals through alternative water sources and efficiency measures where feasible. Indirect-Lenovo recognizes the criticality of sufficient and high quality water within our 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 our products. In the future, Lenovo expects dependency to remain constant.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	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 our water risk exposure and our 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 our facilities. 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 our biggest suppliers by spend is reusing water in cooling towers and scrubbers and one of our strategic partners is using lower quality water in data center cooling. [Why "Important" was selected] Without access to recycled/brackish water, our 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 of our supply chain partners incorporate the use of such water in efforts to decrease freshwater dependence.

W1.2

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

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	Water withdrawals are measured or estimated for all sites in our reporting boundary; see responses to W0.5 and W0.6a for details on reporting boundary and exclusions. Water is measured directly by meters wherever possible. Where a facility does not have a dedicated meter or isn't directly invoiced, volumes are estimated based on water withdrawals for the larger building and % of building occupied by Lenovo employees. For a few large offices where no information is available from the landlord or larger building manager, Lenovo estimates based on office headcount and average monthly per person intensity at similar sites for the previous year. Lenovo tracks this data using UL 360 Sustainability Software (UL360). The frequency of individual site data collection usually corresponds to the frequency the utility invoices, often monthly. Semi-annually the data goes through two internal reviews. Annually, this data is audited by a third party. In FY21/22, the third party was TÜV SÜD.
Water withdrawals – volumes by source	100%	At the end of the FY, all sites in our reporting boundary are asked to provide their water withdrawal sources via UL360. Once per year was deemed sufficient because the sources are usually constant. The focal points 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. This withdrawal source data was then applied to the withdrawal volume data to determine volumes per source; for details on method and frequency of withdrawal volume data, see "Water Withdrawals -total volumes" above.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	Not relevant	Lenovo has not found a corporate program for measuring and monitoring withdrawal quality relevant to our operations because this continues to be successfully managed at the site level. Most of our water comes from third-parties who have treated the water to specific standards. Even so, many locations 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. We do not anticipate a corporate water quality monitoring program to become relevant to our organization in the future because we plan to continue to obtain our water from third-parties who have treated the water. And, as a global company, we will continue to operate in a variety of contexts meaning such programs will continue to be best managed at a site level based on site context.
Water discharges – total volumes	100%	Water discharges are measured or estimated for all sites in our reporting boundary as specified in Section W0; see responses to W0.5 and W0.6a for details on reporting boundary and exclusions. 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. Lenovo tracks this data using UL360. The frequency of individual site data collection usually corresponds to the frequency the utility invoices, typically monthly. Semi-annually, the monthly data goes through two internal reviews. Annually, this data is audited by a third party. For FY21/22, the third party was TÜV SÜD.
Water discharges – volumes by destination	100%	At the end of the FY, all sites in our reporting boundary are asked to provide their water discharge destinations via UL360. Once per year was deemed sufficient because the destinations are usually constant. The focal points 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. This discharge destination data was then applied to the discharge volume data to determine volumes per source; for details on method and frequency of discharge volume data, see "Water discharges -total volumes" in the first row of this response.
Water discharges – volumes by treatment method	100%	At the end of the FY, all sites in our reporting boundary are asked to provide the highest level of treatment their water discharges received via UL360. Once per year was deemed sufficient because the treatment levels are usually constant. The focal points inputting the information into UL360 are familiar with the site operations and able to determine (measure) which treatment level applied to the site based on local site knowledge. This treatment level data was then applied to the discharge volume data to determine volumes per highest treatment level; for details on method and frequency of discharge volume data, see "Water discharges -total volumes" in the first row of this response.
Water discharge quality – by standard effluent parameters	51-75	The vast majority of our 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 51 and 75% of Lenovo's total discharge regularly measured effluent parameters. The method and frequency of measurement are determined by local regulations or third party requirements. For example, several of our sites in China measure discharge at least annually for the following parameters: COD, BOD5, NH3-N, suspended solids, total phosphorus, total nitrogen, and pH.
Water discharge quality – temperature	Not relevant	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%	Water consumption by total volume can be regularly calculated based on Lenovo's withdrawal and discharge volumes which are regularly measured or estimated according to the details above. Because monthly water withdrawal and discharge data is collected in UL360, consumption volumes can be calculated monthly. Please see responses to W0.5 and W0.6a for additional details of the reporting boundary and exclusions. Lenovo's water consumption is mainly from evaporation during cooling and infiltration/runoff during landscape irrigation with some possible minor consumption through employee use.
Water recycled/reused	76-99	Recycled/reused water volumes are measured or estimated for applicable sites in our reporting boundary specified in Section W0; see responses to W0.5 and W0.6a for details on reporting boundary and exclusions. Recycled/reused water volumes are measured directly by meters wherever possible. Where a facility does not have a dedicated meter, estimates may be used. Lenovo tracks this data using UL360. The frequency of individual site data collection is usually monthly. Semi-annually, the monthly data goes through two internal reviews. In FY21/22, three locations reported using recycled water in UL360.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Lenovo provides fully functioning, safely managed WASH services at all company facilities. WASH services are managed and monitored internally by local real estate teams and externally verified through Responsible Business Alliance (RBA) audits at manufacturing locations. Of note on this topic, Lenovo operates employee dormitories at one manufacturing location. Through these dormitories, Lenovo recognizes a greater responsibility to employee WASH services and ensures all employees have access to WASH services both on the job and within the dormitories. The dormitories are included in our RBA program and audits.

W1.2b

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

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	1567	Higher	There was an approximately 9.7% increase from 1,428.0 to 1,567.0 megaliters between FY20/21 and FY21/22. This change is primarily due to an increase in employees at our manufacturing locations to meet increased demand for Lenovo products as well as employees returning to some of our R&D and office locations after working from home during the pandemic. In the very short term, Lenovo anticipates an increase in withdrawals as more employees at non-manufacturing sites return to work onsite as pandemic protections are lifted in other areas. After a new normal has been established post-pandemic, Lenovo anticipates withdrawals to remain about the same; although the Company may continue to experience organic growth and increases in headcount will have increases in total water use, Lenovo will strive to reduce per person freshwater withdrawals. Annually, this data is audited by a third party. For FY21/22 the third party was TÜV SÜD.
Total discharges	1469	Higher	There was an approximately 13.5% increase from 1,294.0 to 1,469.0 between FY20/21 and FY21/22. This change is primarily due to an increase in employees at our manufacturing locations to meet increased demand for Lenovo products as well as employees returning to some of our R&D and office locations after working from home during the pandemic. In addition, we had a few new sites reporting discharge for the first time or improve their estimation method which increased their reported values but also improved accuracy. In the very short term, Lenovo anticipates an increase in discharges as more employees at non-manufacturing sites return to work onsite as pandemic protections are lifted in other areas. After a new normal has been established post-pandemic, Lenovo anticipates discharges to remain about the same; although the Company may continue to experience organic growth and increases in headcount will have increases in total water use, Lenovo will strive to reduce per person freshwater withdrawals and therefore per person discharge. Annually, this data is audited by a third party. For FY21/22 the third party was TÜV SÜD.
Total consumption	98	Lower	Total consumption is calculated as the difference between total water withdrawals and total discharges. There was an approximately 27% decrease from 134.0 to 98.0 between FY20/21 and FY21/22. This decrease is due to the increase in total discharges relative to total withdrawals which is likely caused by increase in coverage of sites reporting discharge. Consumption is anticipated to slightly increase in the short term as more employees return to non-manufacturing sites as pandemic protections are lifted and then consumption is expected to remain the same.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	11-25	About the same	WRI Aqueduct	The primary tool used to map withdrawals from water stressed areas was WRI Aqueduct 3.0. WWF Water Risk Filter was then used to complement the information obtained via WRI Aqueduct 3.0. The water risk identification tools and the approximate latitude and longitude of all of Lenovo's active manufacturing, research and development, large office locations were used to determine the ratings for various water risk indicators across Lenovo's operations; at the majority of our 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 our 12 manufacturing and 2 out of our 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. 377 megaliters in FY21/22 which was an increase from 343 megaliters in FY20/21 but it remains about 24% of our total withdrawals (24.1% for FY21/22 compared to 24.0% for FY20/21).

W1.2h

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

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant	<Not Applicable>	<Not Applicable>	This source is not relevant because Lenovo does not directly withdraw water from any fresh surface water source. We do 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>	This source is not relevant because Lenovo does not directly withdraw water from any brackish or sea water source. We do 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	11	Higher	This source is relevant because 2 of our sites obtain water from on-site groundwater wells. There was a 13.5% increase in this volume from 9.79 to 11.33 megaliters between FY20/21 and FY21/22. Most of this increase can be attributed to a new groundwater well that began operating at Lenovo's Pondicherry, India manufacturing location in July 2020 making this the first reporting period where it was in operation the whole time. Previously water was trucked to this site. The new well lowers water costs for the site and eliminates the CO2 emissions associated with trucking water to the site. We anticipate the volume of groundwater withdrawal to remain the same or increase in proportion with the numbers of employees at the site.
Groundwater – non-renewable	Not relevant	<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. We do 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>	This source is not relevant because Lenovo does not produce water or extract entrained water. We do 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	1556	Higher	This is relevant because Lenovo receives the majority of water from third parties. There was an approx. 8.8% increase from 1,418.21 to 1,556.67 megaliters from FY20/21 to FY21/22. This change is primarily due to an increase in employees at our manufacturing locations to meet increased demand for Lenovo products as well as employees returning to some of our R&D and office locations after working from home during the pandemic. In the very short term, Lenovo anticipates an increase in third-party withdrawals as more employees at non-manufacturing sites return to work onsite as pandemic protections are lifted in other areas. After a new normal has been established post-pandemic, Lenovo anticipates withdrawals to remain about the same; although the Company may continue to experience organic growth and increases in headcount will have increases in total water withdrawals, Lenovo will strive to reduce per person freshwater withdrawals.

W1.2i

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

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Not relevant	<Not Applicable>	<Not Applicable>	This destination is not relevant because Lenovo does not discharge any water directly to fresh surface water. We do 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>	This destination is not relevant because Lenovo does not discharge any water directly to brackish surface water or seawater. We do 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	Higher	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. 225% increase from 1.66 to 5.39 megaliters from FY20/21 to FY21/22. The change is primarily due to more employees (over 2x more) at this site to meet increased demand for Lenovo products. We do 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	1464	Higher	This is relevant because Lenovo discharges most water back to third-parties. There was an approx. 11.09% increase from 1,292.34 to 1,453.61 megaliters from FY20/21 to FY21/22. This change is primarily due to an increase in employees at our manufacturing locations to meet increased demand for Lenovo products as well as employees returning to some of our R&D and office locations after working from home during the pandemic. In the very short term, Lenovo anticipates an increase in third-party discharges as more employees at non-manufacturing sites return to work onsite as pandemic protections are lifted in other areas. After a new normal has been established post-pandemic, Lenovo anticipates discharges to remain about the same; although the Company may continue to experience organic growth and increases in headcount will have increases in total water use., Lenovo will strive to reduce per person freshwater withdrawals and therefore per person discharge.

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	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Relevant	10	This is our first year of measurement	Less than 1%	Lenovo has two sites - one manufacturing facility in Pondicherry, India and one in Jaguariuna, Brazil - where wastewater is undergoes tertiary treatment before being reused at the site. These sites represent less than 1% of the discharges within our 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>	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>	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. Last year our Pondicherry site was listed here but it has been moved to "other" row where it is more applicable.
Discharge to the natural environment without treatment	Not relevant	<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	1459	Higher	91-99	This is relevant because Lenovo discharges most water back to third-parties. There was an approx. 11.4% increase from 1,292.34 to 1,459 megaliters from FY20/21 to FY21/22. This change is primarily due to an increase in employees at our manufacturing locations to meet increased demand for Lenovo products as well as employees returning to some of our R&D and office locations after working from home during the pandemic. In the very short term, Lenovo anticipates an increase in third-party discharges as more employees at non-manufacturing sites return to work onsite as pandemic protections are lifted in other areas. After a new normal has been established post-pandemic, Lenovo anticipates discharges to remain about the same year to year, except when organic growth and increases in headcount cause increases in total water use. Lenovo will strive to reduce per person freshwater withdrawals and therefore per person discharge.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	This treatment level is not relevant to Lenovo because Lenovo does not have any sites where discharges 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	7161800000	1567	45703892.7887683	We expect our total withdrawal efficiency to increase overtime. Lenovo expects YTY revenue to increase faster than YTY water withdrawal volume which would result in an increasing total water withdrawal efficiency.

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

Yes, our customers or other value chain partners

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number

1-25

% of total procurement spend

76-100

Rationale for this coverage

We incentivize our suppliers to disclose such information through Lenovo's publicly available Supplier Code of Conduct, which requires suppliers to report data when requested. We requested a subset of our suppliers every year to formally report their environmental impact data, preferably via either the Responsible Business Alliance or the CDP reporting methodologies and platforms. Failure to comply with the request would violate our Supplier Code of Conduct which is part of our contract terms with our suppliers. In FY21/22, Lenovo collected water use and water target data from 98 of our approximately 399 Tier 1 product suppliers (total number of Tier 1 suppliers varies quarter to quarter). Lenovo is focusing engagement activities on this subset because these 98 suppliers account for 92% of Lenovo's procurement spend with suppliers; therefore, environmental improvements within this subset will have the largest impact on overall supply chain sustainability. Expanding this to include the remaining 301 or so product suppliers that represent 8% of spend would be a resource intensive effort with less impactful results. 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.

Impact of the engagement and measures of success

From these disclosures, Lenovo tracks water use data (annual withdrawal, recycling, and discharge) for a subset of our suppliers and whether these suppliers have public water goals. Lenovo incorporates whether each supplier has a water reduction target as a metric into the supplier sustainability scorecard. Supplier scorecards are Lenovo's overall business rating for each supplier and are used to make future supply decisions which incentivizes our supply partners to improve in the areas of these input metrics, including water targets. Building supply chain disclosure and capabilities in this area helps us stress the importance of water use and responsible practices to our suppliers and to lay the foundation for future improvement in this area. Success is measured by increases in the amount of spend with suppliers with public water targets and decreases in the Lenovo allocated water withdrawals from these suppliers. For the most recent supplier data collection period, 76 out of 98 suppliers for which data was collected had public water goals, which represents an increase from the previous year.

Comment

N/A

W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement

Incentivizing for improved water management and stewardship

Details of engagement

Water management and stewardship action is integrated into your supplier evaluation

% of suppliers by number

1-25

% of total procurement spend

76-100

Rationale for the coverage of your engagement

We incentivize our suppliers to disclose this data through Lenovo's publicly available Supplier Code of Conduct, which requires suppliers to report data when requested. We request a subset of our suppliers every year to formally report their environmental impact data, preferably via either the RBA or the CDP reporting methodologies and platforms. During the most recent supplier data collection period, Lenovo collected water use and water target data from 98 of our approximately 399 Tier 1 product suppliers (total number of Tier 1 suppliers varies quarter to quarter). These 98 suppliers account for 92% of Lenovo's procurement spend with product suppliers. This information feeds into the supplier sustainability scorecard which is used to guide future business decisions. Lenovo is focusing engagement activities on this subset because these 98 suppliers account for 8% of Lenovo's procurement spend with product suppliers; therefore, environmental improvements within this subset will have the largest impact on overall supply chain sustainability. Expanding this to include the remaining 301 or so product suppliers that represent 8% of spend would be a resource intensive effort with less impactful results. 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.

Impact of the engagement and measures of success

In Lenovo's supplier scorecard process, suppliers are assessed against performance criteria in the categories of Cost, Quality, Delivery, Technology and Service and then their total score may be affected by a sustainability multiplier that is determined by key sustainability indicators, including water reduction goals. The scorecard program is used to increase business with suppliers who perform the best and to improve areas of weakness with under-performing suppliers. In the event a supplier cannot adequately meet our expectations, business activity is discontinued. The scorecard system helps ensure we are working with supply partners who meet our standards. Success is measured by maintaining or improving the sustainability indicators on the scorecards for our supplier base year over year. For example, having a public water target is one of the sustainability indicators on the scorecards and for the most recent supplier data collection period, 76 out of 98 suppliers for which data was collected had public water goals, which represents an increase from the previous year.

Comment

N/A

Type of engagement

Onboarding & compliance

Details of engagement

Requirement to adhere to our code of conduct regarding water stewardship and management

% of suppliers by number

76-100

% of total procurement spend

76-100

Rationale for the coverage of your engagement

Lenovo expects all suppliers, regardless of size or percent of procurement, to be equally committed to ethical corporate citizenship and promoting sustainability. While Lenovo currently focuses on a subset of the largest suppliers by procurement spend for the collection of metrics around water use, Lenovo expects 100% of suppliers to comply with the Supplier Code of Conduct.

Impact of the engagement and measures of success

We incentivize our suppliers to disclose environmental data through Lenovo's publicly available Supplier Code of Conduct, which requires suppliers to report data when requested. The Supplier Code of Conduct also encourages them to minimize water use and maximize water recycling. Failure to comply to Lenovo's Supplier Code of Conduct may result in consequences such as, down-leveilling supplier tier, lowering order guarantees, or other consequences.

Comment

N/A

W1.4c

(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

Lenovo engages with investors, channel partners, customers, and communities on ESG topics, including water. We are prioritizing partners in these categories whose ambitions align with Lenovo's where we can learn from each other and/or amplify impact.

Customer Examples: We have provided equipment and tech solutions to customers working to solve water-related issues. For example, Lenovo worked with researchers at North Carolina State University to support AI (Artificial Intelligence) models to monitor crops and efficiently allocate water and energy to meet the crop needs of the increasing global population while conserving the world's limited resources. Additionally, the Malaysian Meteorological Department was able to improve their forecasting from 3 days to 7 days using a Lenovo High Performance Computing system which allows for better planning in advance of water-related disasters. Lenovo has participated in CDP Water for 5 years at the request of customers. Knowing that traditional energy generation has associated water impacts, Lenovo improves the indirect water use and impacts of our devices during the customer use phase by continual progress in device energy efficiency. Success here is measured by improved energy efficiency relative to previous generation of products. All our manufacturing sites are also audited, often at the request of customers, and these audits cover water-related topics. We measure success here by looking at trends in our audit performance.

Community Example: The Lenovo Foundation is focused on giving back to communities, especially those where we operate with a target to transform 1 million lives by 2025. Through the Lenovo Foundation, time and money has been donated to water/sanitation-related projects. In FY21/22, Lenovo announced a strategic partnerships with Wine to Water, a non-profit working to empower local leaders to take ownership and change their future water landscape. Success is measured in lives transformed by projects.

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?

Yes, fines, enforcement orders or other penalties but none that are considered as significant

W2.2a

(W2.2a) Provide the total number and financial value of all water-related fines.

Row 1

Total number of fines

1

Total value of fines

4000

% of total facilities/operations associated

0

Number of fines compared to previous reporting year

Higher

Comment

In 2021, the Company received a violation for a lapse in a sewage discharge permit for a site under construction where project dates became delayed. The Company renewed the permit and paid a fine of approximately US\$ 4,000. The % of facilities associated is considered 0% because the site was under construction managed by a contractor and not yet an active Lenovo site during the reporting period (see exceptions listed in W0.6a).

W3. Procedures

W3.3

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

Yes, water-related risks are assessed

W3.3a

(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 part of other company-wide risk assessment system

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
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

W3.3b

(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.

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 OEMs, and a majority of suppliers by procurement spend (such as those with the greater environmental impact). The best available locations of these sites are input into two tools - WRI Aqueduct and WWF Water Risk Filter. We then consider a range of current indicators covering the issues selected, as well as future projects (2030 and 2040). The following explains why each selected contextual issue is considered in the process:

Availability-For Lenovo to continue providing WASH services at all locations, and cooling/heating and landscape irrigation at some locations, water must remain available within each location's water basin.

Quality-To continue providing WASH services of adequate quality at all locations, Lenovo must receive adequate quality of water at each location.

Conflicts-Stakeholder conflicts can affect water access, the regulatory stability around water policies and has associated reputational risks for Lenovo.

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 our commodities, especially semiconductors.

Regulatory frameworks-Local regulatory frameworks can dictate the availability, quality, and cost of water for Lenovo locations.

Ecosystems and habitats-The status of the ecosystems and habitats affects the well-being of our employees and customers and, if degraded, can pose risks for Lenovo, such as reputational risks and the loss of the benefits of ecosystem services.

WASH- Failing to provide adequate WASH services would have a direct impact to the health and well-being of Lenovo's work force and could also have compliance and reputational repercussions.

Other, extreme weather-These events pose risks to our employees, our customers, and our operations and can cause damage to our physical locations across the globe.

The following explains why each selected stakeholder is considered in the process:

Customers-As water risks increase, our customers are more likely to experience water risks directly which may cause them to prioritize water stewardship in their purchasing decisions.

Employees-Lenovo is committed to providing all employees with WASH services in the workplace because we recognize this as a basic human right. Furthermore, without such services employee satisfaction and productivity would be greatly affected.

Investors-As investor focus on ESG has increased, Lenovo has experienced more requests regarding water security which we expect to continue.

Local communities-Lenovo recognizes that healthy, thriving communities mean healthy, thriving employees and customers and access to water is vital to this.

NGOs-Because of the important role NGOs have in addressing collective water risks, Lenovo considers NGOs as relevant stakeholders and considers them in our risk assessment.

Regulators-Lenovo is committed to regulatory compliance. Because regulators implement current regulations and will make decisions about future regulations intended to protect water resources and address large scale water risks, we recognize regulators as relevant stakeholders and include them in our risk assessments and water related actions.

Suppliers-While Lenovo has no significant wet processes, Lenovo recognizes the importance of adequate quantities of sufficient quality water to our supply chain partners, especially the semiconductor industry.

Water utilities-Water utilities act as an intermediary between Lenovo and water sources and 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 for sourcing water or disruptions to operations.

Other water users-Water is a finite and shared resource; the actions of other water users can affect Lenovo and the actions of Lenovo can affect other water users.

How outcomes inform decision making: The outcomes 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 Global Environmental Affairs 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.

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 rank 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. There are four degrees of severity - lower, moderate, high, and very high – which are defined by certain thresholds in the associated indicators. Substantive financial impact at the corporate level is defined by the two highest financial impact categories – high and very high.

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, there are four degrees of severity for each type of impact – lower, moderate, high, and very high – which are defined by certain thresholds in the associated indicators. The two highest degrees of severity for the aforementioned impact types define what would be considered a substantive strategic impact on Lenovo business at the corporate level.

In general summary, the identified risks and opportunities by the ERM process are prioritized by ranking the risks relative to probability 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.

The ERM covers impacts from both direct operations and the supply chain. The definition, indicators, and degrees of severity are the same for both operational and supply chain risks.

Many risk categories and key risks are considered through the ERM. Some examples of risks considered that could be related to water are change in climate and environmental regulations, natural catastrophes, and supply chain management. An example of a specific risk considered under the natural catastrophes category would be flooding. In 2011, flooding in Thailand resulted in impacts to our industry, specifically shortages of hard drives used in PCs. Future flooding, depending on location, could have impacts to Lenovo so it is a risk that is considered.

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) the same 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	2	1-25	Lenovo has identified two facilities (one manufacturing facility 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 (offices with over 100 employees) locations which totals 56 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 FY21/22. 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). At this specific site, in 2022, Lenovo is performing an assessment of the canteen to determine opportunities for water use reduction.

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. Lenovo is monitoring related emerging regulations in the area and plans to comply with all applicable regulations.

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 FY21/22, 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 FY21/22, 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 our customers' and investors' agendas. One simple measure of our water impact is total water withdrawals. Responsibly managing our water withdrawals is important to responding to our 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)

716180000

Potential financial impact figure - maximum (currency)

3580900000

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. We have assumed failure to meet our customers expectation at this time could lead to a 1-5% decrease in market share. We have estimated that potential financial impact from the unmitigated risk could be from around US\$ 716,180,000 (0.01 x Lenovo FY21/22 annual revenue of US\$71,618,000,000) to US\$3,580,900,000 (0.05 x Lenovo FY21/22 annual revenue of US\$71,618,000,000).

Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

Description of response

In 2022, a canteen water saving project was initiated at Lenovo's Wuhan facility. The project involved the establishment of a project team which includes the canteen supplier and EHS personnel. The goals of the project are to analyze current water use in the canteen, evaluate potential improving opportunity and take actions that could reduce canteen water withdrawals, prioritize and implement some of the findings, and share the findings and lesson learned with Lenovo's other manufacturing facilities. The project began in the FY21/22 reporting period and is still ongoing.

Cost of response

0

Explanation of cost of response

The water saving project has no cost to Lenovo beyond business as usual staff time. The assessment did not have a cost for Lenovo and anything implemented as a result of the assessment will be the responsibility of the canteen vendor.

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 FY21/22, 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 the main contributors to Lenovo's overall water withdrawals from water stressed areas. Lenovo has seen the topic of water stewardship and security increase on our customers' and investors' agendas. One simple measure of our water impact is total water withdrawals from water stressed regions. Responsibly managing our water withdrawals is important to responding to our 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)

716180000

Potential financial impact figure - maximum (currency)

3580900000

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. We have assumed failure to meet our customers expectation at this time could lead to a 1-5% decrease in market share. We have estimated that potential financial impact from the unmitigated risk could be from around US\$ 716,180,000 (0.01 x Lenovo FY21/22 annual revenue of US\$71,618,000,000) to US\$3,580,900,000 (0.05 x Lenovo FY21/22 annual revenue of US\$71,618,000,000).

Primary response to risk

Comply with local regulatory requirements

Description of response

Lenovo currently complies with all applicable water regulations at this location. The local environmental team actively monitors for development of any new water conservation regulations that would apply to the site. For example, during the reporting period, the team was following the potential development of new regulations that may have designated enterprises in Beijing that meet certain water consumption thresholds as "key water enterprises". No new regulations were implemented.

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.

W4.2a

(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

Acute physical	Cyclone, hurricane, typhoon
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Primary potential impact

Reduction or disruption in production capacity

Company-specific description

Natural catastrophes, specifically bad weather, was identified as a potential substantive risk for Lenovo's in FY21/22. The main negative consequence for Lenovo is business reduction or disruption due to production capacity (either of key components or our products themselves). The majority of Lenovo's suppliers have operations within China and therefore, multiple basins across China is where this risk mainly exist. "Cyclone, hurricane, and typhoon" was selected as the primary risk driver based on the greater unpredictability of this particular risk and that the impacts can cause immediate damage to people, property, and products. A timeframe of "more than 6 years" was selected because although the impact to Lenovo associated with a single cyclone, hurricane or typhoon could occur in the short-term (under a year), the risk of such events is present every year and increasing due to climate change. 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

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)

716180000

Potential financial impact figure - maximum (currency)

3580900000

Explanation of financial impact

Financial impact associated with severe weather is difficult to estimate, specially from the supply chain. Actual financial impact would depend on location and magnitude of severe whether event and the type of supplier. Assuming severe weather event could lead to a 1-5% decrease in market share in the year it occurred, we have estimated that potential financial impact from the unmitigated risk could be from around US\$ 716,180,000 (0.01 x Lenovo FY21/22 annual revenue of US\$71,618,000,000) to US\$3,580,900,000 (0.05 x Lenovo FY21/22 annual revenue of US\$71,618,000,000).

Primary response to risk

Direct operations	Include in Business Continuity Plan
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Description of response

Lenovo's response to this risk involves two elements. The first element to responding to this risk is through our business continuity plans. The program establishes plans, processes, and procedures to identify, mitigate, respond to and recover from risks associated with such events. Even in light of increasing risks Lenovo believes the infrastructure and processes in place are adequate to address these risks with the exercise of due diligence and proper planning. Lenovo periodically reviews and updates its emergency preparedness and response and business interruption strategies, programs, and procedures. Furthermore, Lenovo's suppliers are contractually required to have disaster recovery plans. Their preparedness for natural disasters, including climate change related ones, are reviewed and audited by Lenovo's procurement teams. The second element of the response to this risk is insurance. Lenovo insures any locations with Lenovo assets which can include upstream locations such as ODMs and third-party storage facilities.

Cost of response

1920000

Explanation of cost of response

Lenovo's response to this risk involves two elements. The first element to responding to this risk is through our business continuity plans. The program establishes plans, processes, and procedures to identify, mitigate, respond to and recover from risks associated with such events. Even in light of increasing risks Lenovo believes the infrastructure and processes in place are adequate to address these risks with the exercise of due diligence and proper planning. Lenovo periodically reviews and updates its emergency preparedness and response and business interruption strategies, programs, and procedures. Furthermore, Lenovo's suppliers are contractually required to have disaster recovery plans. Their preparedness for natural disasters, including climate change related ones, are reviewed and audited by Lenovo's procurement teams. Lenovo estimates that we spend in excess of \$120,000 per year to maintain, test and update our emergency preparedness and response and business interruption strategies, programs and procedures at our manufacturing sites. The second element of the response to this risk is insurance. Lenovo insures any locations with Lenovo assets which can include upstream locations such as ODMs and third-party storage facilities. It is estimated that total portion of the insurance premiums for flooding is about US\$1.8 million. Total cost of this responses was determined by adding the cost of disaster planning and flood insurance (US\$120,000 + US\$1,800,000 = US\$1,920,000).

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 FY21/22, 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 exist. 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)

716180000

Potential financial impact figure - maximum (currency)

3580900000

Explanation of financial impact

Financial impact associated with reputational damage is difficult to estimate, specially from the supply chain. Actual reputational impact would depend on the type and magnitude of incident. Assuming negative publicity associated with poor performance of a supplier could lead to a 1-5% decrease in market share in the year it occurred, we have estimated that potential financial impact from the unmitigated risk could be from around US\$ 716,180,000 (0.01 x Lenovo FY21/22 annual revenue of US\$71,618,000,000) to US\$3,580,900,000 (0.05 x Lenovo FY21/22 annual revenue of US\$71,618,000,000).

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 our supplier program to improve our 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 will help Lenovo by providing an additional rating platform, suggested corrective actions, and will scan over 100,000 public sources for environmental related items related to our 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 us identify water-related violations at our suppliers' locations.

Cost of response

300000

Explanation of cost of response

The cost for the ongoing tools used to manage and monitor our 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 our 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

(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 our data center products. Lenovo continues to maintain the number one position in HPC through its offering of premium 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: Work 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, with the help of a new Lenovo HPC system with liquid-cooled technology, the Malaysian Meteorological Department (MMD) was able to triple its resolution to 1km and run models for a seven-day forecast, rather than a three-day forecast, allowing for more advanced community planning ahead of extreme weather events. We anticipate this being an opportunity that will continue to grow as more research and improved forecasting is needed to manage climate change impacts. Though we have 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, we estimate the potential financial impact to be around US\$250 million (US\$10 million * 25 = US\$ 250 million).

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 historical and continued focus on product and operations energy efficiency provides a positive product differentiator in a regulatory environment that increasingly values these attributes. Lenovo offers a full complement of ENERGY STAR® qualified notebooks (~92% of all notebook platforms), desktops (~98% of all desktop platforms), workstations (~100% of all workstation platform), monitors (~80% of all monitors), and servers (~90% of all server platforms). Also, the U.S. EPA recognized 27 Lenovo monitors among its ENERGY STAR® Most Efficient designation in 2021. Lenovo's Infrastructure Solutions Group is also focused on increasing the energy efficiency of the Company's server offerings (see 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: Our customers are increasingly focused on energy efficiency as a way to save on energy costs and meet their own greenhouse gas emission reduction targets. In addition, data center components (CPUs and GPUs) become increasingly powerful each year and these more powerful units generate more heat requiring more energy to cool. Task: Identify an opportunity in helping meet our customers' needs for powerful, but energy efficient data centers with liquid-cooling technologies. Action: We offer our 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%. Result: Lenovo is experiencing increased interest in and sales of our Neptune® offerings from customers looking for more performance with a smaller energy footprint. We anticipate this being an opportunity that will be growing for a long time as customer interest in powerful but efficient data centers continues to grow. Though we have 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)

716180000

Potential financial impact figure – maximum (currency)

3580900000

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 our ability to meet new demand for high efficiency products could lead to a 1% to 5% increase in revenue in a given year, we have estimated that opportunity to be around US\$ 716,180,000 (0.01 x Lenovo FY21/22 revenue of US\$71,618,000,000) to US\$3,580,900,000 (0.05 x Lenovo FY21/22 revenue of US\$71,618,000,000).

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)

226.6

Comparison of total withdrawals with previous reporting year

Higher

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

226.6

Total water discharges at this facility (megaliters/year)

225.9

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

225.9

Total water consumption at this facility (megaliters/year)

0.7

Comparison of total consumption with previous reporting year

Higher

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 discharge 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 increased at this location from 193.3 to 226.6 ML from FY20/21 to FY21/22 or about 17.2% which we categorized as higher based on a definition of higher as being between a 5 and 20% increase. Water discharges increased at this location from 192.7 to 225.9 ML from FY20/21 to FY21/22 or about 17.2% which we categorized as higher based on a definition of higher as being between a 5 and 20% increase. Water consumption increased at this location from about 0.6 to 0.7 ML from FY20/21 to FY21/22 or about 16.7% which we categorized as higher based on a definition of higher as being between a 5 and 20% increase. Increase in water use is likely due to increase in headcount at this office increased between the two years, in addition fewer employees worked in the office during FY20/21.

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

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)

494.8

Comparison of total withdrawals with previous reporting year

Much higher

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

494.8

Total water discharges at this facility (megaliters/year)

432.9

Comparison of total discharges with previous reporting year

Much higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

432.9

Total water consumption at this facility (megaliters/year)

61.9

Comparison of total consumption with previous reporting year

Higher

Please explain

WRI Aqueduct's baseline water stress indicator was used to determine that this location is not in a water stressed area. Water withdrawals are sourced from a municipal system and discharge 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 increased at this location from 387.7 to 494.8 ML from FY20/21 to FY21/22 or about 27.6% which we categorized as much higher based on a definition of much higher as being over a 20% increase. Water discharges increased at this location from 329.6 to 432.9 ML from FY20/21 to FY21/22 or about 31.3% which we categorized as much higher based on a definition of much higher as being over a 20% increase. Water consumption increased at this location from about 58.1 to 61.9 ML from FY20/21 to FY21/22 or about 6.5% which we categorized as higher based on a definition of higher as being between a 5 and 20% increase. The increases were due to YTY increases in production which led to increases in employees at the site.

W5.1a**(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**

Not verified

Verification standard used

<Not Applicable>

Please explain

Lenovo does not have any individual's site's water data verified. Lenovo's total global water withdrawal and water discharge totals are verified by a third-party. In FY21/22, 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.

Water withdrawals – volume by source**% verified**

Not verified

Verification standard used

<Not Applicable>

Please explain

Lenovo does not have water withdrawals by source verified. The vast majority of water comes from third-party destinations such as landlords or municipal utilities.

Water withdrawals – quality by standard water quality parameters**% verified**

Not relevant

Verification standard used

<Not Applicable>

Please explain

The vast majority of our 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, we do 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**

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 – volume by destination

% 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 – 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 any of our 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, we do not consider verification relevant. In addition, the potential risk mentioned in W4.1c are not consumption-related.

W6. Governance

W6.1

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

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

W6.1a

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

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of business impact on water Description of water-related performance standards for direct operations Description of water-related standards for procurement Reference to international standards and widely-recognized water initiatives Company water targets and goals Commitment to align with public policy initiatives, such as the SDGs Commitments beyond regulatory compliance Commitment to water-related innovation Commitment to water stewardship and/or collective action Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace Acknowledgement of the human right to water and sanitation Recognition of environmental linkages, for example, due to climate change	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&S) 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. While the magnitude of our water dependency and impacts varies across our operations and supply chain, the scope of the Water Resiliency Policy is Lenovo's worldwide operations. The foundation of our company-wide policy is our acknowledgement of the human right to water and sanitation and our commitment to ensure workplace WASH services across the entire company and supply chain. 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 SDGs. 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. All of Lenovo's environmental policies are designed to be evergreen, but to ensure they remain valid and up to date they are regularly 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.

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	Please explain
Director on board	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 Corporate Responsibility Officer (CRO; similar to CSO) as described below. 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" to be included in Lenovo's upcoming FY21/22 ESG Report. Ownership (direct responsibility) for water management and Objectives and Targets lies with Lenovo's CRO who has specific responsibility for water-related issues. Certain additional ESG responsibility has been formally delegated from the Board to the ESG EOC which is chaired by the CRO. Updates on ESG issues, including topics discussed by the ESG EOC, are also provided to the Board and/or its Committees from the CRO. Notable Action: The past two years the Board made the decision to approve Lenovo's ESG Report which has included 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.

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 risk management policies Reviewing and guiding corporate responsibility strategy	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. Additional briefings can be proposed by the Chief Corporate Responsibility Officer based on input from the Global Environmental Affairs team and information gathered from business units and sites. In 2021, the topic of water resiliency (within Lenovo and its importance to our stakeholders) was included as part of the Board’s August 2021 ESG update. 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 FY21/22 considered two risk categories closely related to water - changes to climate and environmental regulation, and natural catastrophes – and also includes supply chain risks.

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 also a member of the Sustainable Development Solutions Network Association and has 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 an ESG newsletter in FY21/22. The ESG newsletter is prepared by Lenovo’s internal ESG team and will be 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 FY21/22, the inaugural ESG newsletter included information on the following climate-related items: TCFD, Net-Zero trends and SBTi’s Net-Zero Standard for Corporations, sustainable aviation fuel (SAF), and Lenovo’s 2021 CDP Water results.	<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)

Chief Sustainability Officer (CSO)

Responsibility

Assessing water-related risks and opportunities
Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Annually

Please explain

Lenovo’s Chief Corporate Responsibility Officer (CRO), a role analogous to a CSO, resides in Lenovo’s Legal Organization and reports to the Chief Legal Officer, has management responsibility for ESG and is accountable for water-related performance. Day-to-day water management occurs under Lenovo’s EMS which is owned by the Director of Environmental, Sustainability and Compliance who reports to the CRO. The CRO receives updates during biweekly 1:1 meetings with the Director. Based on 1:1s and other discussions related to ESG, the CRO coordinates the ESG EOC agenda. The CRO with support from numerous teams recommends critical ESG content for Board review. Information about Lenovo’s water management is included in the ESG Report which the CRO 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	Please explain
Monetary reward	Chief Sustainability Officer (CSO)	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))	In FY 2021/22, one of KPIs of Lenovo's Chief Corporate Responsibility Officer (CRO) was to 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). The KPI was selected for the CRO because it reflects Lenovo's climate and water program maturity as of 2021. In 2021, after establishing science based targets for climate, Lenovo was exploring the net-zero concept. In acknowledgement of the climate and water impacts of our supply chain, supply chain engagement was specifically included. KPIs are Lenovo's way of incentivizing performance on certain tasks. 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. In 2021, the progress towards Lenovo's science based emission reduction targets, exploration of a net-zero target, progress to water targets, and incorporation of Ecovadis platform into supplier management support this KPI. As Lenovo's ESG programs evolve, it is likely the associated KPIs will change to reflect specific targets which could include more specific water targets.
Non-monetary reward	Chief Sustainability Officer (CSO) No one is entitled to these incentives	<Not Applicable>	In FY 2021/22, one of KPIs of Lenovo's Chief Corporate Responsibility Officer (CRO) was to 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). The KPI was selected for the CRO because it reflects Lenovo's climate and water program maturity as of 2021. In 2021, after establishing science based targets for climate, Lenovo was exploring the net-zero concept. In acknowledgement of the climate and water impacts of our supply chain, supply chain engagement was specifically included. KPIs are Lenovo's way of incentivizing performance on certain tasks. Performance against KPIs can result in employee awards and recognition at the business unit, site or companywide. In 2021, the progress towards Lenovo's science based emission reduction targets, exploration of a net-zero target, progress to water targets, and incorporation of Ecovadis platform into supplier management would contribute to the CRO's success on this KPI. As Lenovo's ESG programs evolve, it is likely the associated KPIs will change to reflect specific targets which could include more specific water targets.

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 Green 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?

No, but we plan to do so in the next two years

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 us 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 has spent the last reporting period exploring the next steps in support of the global transition to a low-carbon economy through our path to net-zero emissions and in February 2022, Lenovo's CEO, in his role as chair of Lenovo Executive Committee, approved the establishment of a SBTi-approved net-zero by 2050 target. 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 has been to be deliberate about not making a net-zero claim until one could be aligned with a global scientific standard. Lenovo has 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 we became part of the United Nations Framework Convention on Climate Change (UNFCCC) Race to Zero campaign. Lenovo is targeting having an SBTi-approved net-zero emissions by 2050 target in place within 2022. In the coming years, as Lenovo's develops a transition plan to support net-zero by 2050, water-related issues will likely become more directly incorporated into Lenovo's strategy for achieving long-term objectives.
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 has been deliberate about not making a net-zero claim until one could be aligned with a global scientific standard. In preparation for 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. In the coming years, as Lenovo's develops a transition plan to support net-zero by 2050, water-related issues will likely 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)

178

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

50

Water-related OPEX (+/- % change)

28.7

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

5

Please explain

Because some of our 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 FY21/22, there were 5 projects involving CAPEX, including sewer line and drinking water system maintenance, touchless faucets. Between FY21/22 and FY20/21, CAPEX went from US\$18,500 to US\$51,500 (increased by 178%). Lenovo has one water-related CAPEX project planned in FY22/23 and expects a forward trend of +50% (based on anticipated costs). Between FY21/22 and FY20/21, OPEX increased by approx. 28.7%. This increase can likely be attributed to return of employees to many offices after 2 years of working from home, company growth, and utility price increases related to local economic inflation. We expect OPEX to continue to slightly increase as more 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. We selected 4 climate-related scenarios to start understanding the impacts of our identified physical and transition risks and opportunities. We 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's locations and our supply chain. Annually, Lenovo also assesses future water impacts specifically using the forward looking indicators in WRI Aqueduct and WWF Water Risk Filter at our 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	Lenovo performed exploratory scenario analyses using the GeSI-CDP Scenario Analysis Toolkit which is based on TCFD's requirements and guidance. We selected the following warming pathways: 1.5°C; 2°C; 2.6°C & 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. Analytical choices included: (1) time horizons of 2030, 2040 & 2050 which are relevant to Lenovo given our 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 our sites and suppliers and for transition risks and opportunities on high level impact ranges determined by our Global Environmental Affairs 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).	Lenovo's scenario analysis exercise using the GeSI-CDP Scenario Analysis Toolkit included three water-related risks – rising sea levels (chronic physical risk), increase severity and frequency of extreme weather events such as cyclones and floods (physical acute), and changes in precipitation patterns and extreme variability in weather patterns (chronic physical). The impact to EBT from each risk increased with the increase in temperature change being analyzed. Rising sea levels had the greatest impact on total EBT across all four scenarios	This was Lenovo's first climate-related scenario analysis and we will strive to improve by refining our data and involving more teams and subject matter experts. Further work will be done to help refine the scenario analysis, including improving the water-related inputs into the scenario analysis and setting up water-related focal questions. This is expected to occur in the next two years as Lenovo revisits the exercise. The addition of water-related focal questions will help guide the Company towards making operational and strategic adjustments to minimize climate- and water-related risk and maximize opportunities. One way our business strategy has been influenced is that we are considering ways to improve the collection of data and information regarding our suppliers' water impacts and risks for the upcoming year, which could include implemented CDP supply chain program for water.

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 we monitor the emerging practice of water valuation, looking into available methodologies, and how they could be applied to our 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 our 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	The majority of Lenovo's products and services do not directly use water. For these products, the majority of their water impact is indirect from the energy used to power them, meaning the main business priority for Lenovo is in developing low energy products. Lenovo has programs and targets to support increased energy efficient products across our portfolio which in turn impacts their indirect water footprint. In the summer 2018 Lenovo introduced Neptune™ a holistic solution for liquid cooling in data centers. These are our 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. Although the systems require some direct water use, the efficiency improvement reduces energy use by 30-50%. Depending on the full data center configuration and location, Neptune™ could have a net decrease in overall water footprint when considering water use to cool building and on the energy grid.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Business level Specific targets and/or goals Site/facility specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	Under Lenovo's Environmental Management System (EMS), at the end of each fiscal year, company-wide objectives and targets as well as business unit and facility specific objectives and targets are set for the upcoming year. Lenovo's system uses the term "objectives" instead of "goals" to cover qualitative changes or outcomes. Our objectives are long-term aims which are revisited annually under the EMS process; although the objectives are reviewed annually, they usually stay the same year to year and are supported by quantitative annual targets. Under Lenovo's process, the EMS management at the corporate level requests input from Environmental Affairs Focal Points (EAFPs) for each business unit and facility covered by our EMS program. Next, the EMS management reviews this input along with Lenovo's environmental policy, significant environmental aspects, risks and opportunities, past performance, customer/stakeholder expectations and other materials to develop a set of global objectives and targets for the upcoming year. Then, the EAFPs for each business unit and facility within the EMS program sets their own objectives and targets that support the global objectives and targets. The corporate team then reports the objectives and targets to teams throughout the Company, including to our manufacturing, China real estate, and rest of the world real estate teams. Performance relative to the objectives and targets is monitored and measured twice annually at a minimum at the corporate level. Individual targets may be monitored at the facility/business unit level more frequently. If progress is not being made or challenges are encountered, the objectives and targets and individual plans to achieve them are evaluated and revised if necessary. In FY21/22, there were 15 global objectives (or goals) and 38 targets set under the EMS process. This set of global objectives and targets was then supported by many product level and facility specific targets that were also monitored at least twice annually at the corporate level. The 5 objectives (goals) and 22 targets directly or indirectly related to water are outlined in our response to 8.1a and 8.1b below. They include targets and objectives that apply company-wide, to specific business areas, and to specific sites/facilities and goals that apply company-wide. Environmental targets that were established under other frameworks, such as Lenovo's SBTi-approved GHG emissions reduction targets and Lenovo's corporate ESG KPIs, are also included in the EMS objectives and targets process described above.

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number

Target 1

Category of target

Other, please specify (employee water intensity)

Level

Company-wide

Primary motivation

Reduced environmental impact

Description of target

Maintain per person water withdrawal at sites* globally, relative to the previous FY (no more than 5% increase).** (* Includes all manufacturing, R&D, and large office sites that are able to report water withdrawal., **An exemption might be granted to sites where pandemic-related behavioral changes and/or requirements makes this unattainable.)

Quantitative metric

Other, please specify (Maintain within 5% of previous year's volume)

Baseline year

2020

Start year

2020

Target year

2021

% of target achieved

100

Please explain

In the dropdown menus for this item, 2020 indicates FY20/21 and 2021 indicates FY21/22. The target reflects Lenovo's goal of maintaining operational control of water withdrawals and discharges. Lenovo monitors and tracks water withdrawals in our reporting boundary, has the data externally audited, and compares it to the previous year in relation to employee headcount. Because our primary water use is WASH services and our workforce continues to grow, a target of maintaining per person water withdrawals is appropriate for Lenovo at this time. In FY21/22, per person intensity increased 5% YTY indicated target was achieved.

Target reference number

Target 2

Category of target

Water, Sanitation and Hygiene (WASH) services in the workplace

Level

Company-wide

Primary motivation

Commitment to the UN Sustainable Development Goals

Description of target

Lenovo's Water Resiliency Policy expresses our commitment to ensuring access to water and sanitation services for all employees, contractors, and visitors at Lenovo locations. In addition, this policy states that all suppliers must comply with the RBA Code of Conduct which contains provisions for water and sanitation services. Lenovo confirms compliance to these commitments via regular RBA audits of our own manufacturing facilities and our suppliers.

Quantitative metric

Other, please specify (Maintain WASH services in the workplace)

Baseline year

2020

Start year

2020

Target year

2021

% of target achieved

100

Please explain

In the dropdown menus for this item, 2020 indicates FY20/21 and 2021 indicates FY21/22. This target reflects Lenovo's belief that WASH services are a basic human right. Unlike the other targets for water use, this target is not part of Lenovo's EMS system but rather part of Lenovo's Water Resiliency Policy, RBA program, and supplier sustainability management program which includes requirements that suppliers follow the RBA and Lenovo Supplier Codes of Conduct. Section B7 of the RBA Code of Conduct requires that workers be provided with ready access to clean toilet facilities, potable water and other applicable WASH services and Section C7 addresses water management. Lenovo requires RBA audits of our suppliers and our own facilities to ensure these items are being met. RBA audit results are a factor in supplier performance evaluations. In FY21/22, the RBA audits conducted at Lenovo facilities and Lenovo supplier facilities contained no findings related to WASH services.

Target reference number

Target 3

Category of target

Other, please specify (Water withdrawal and risk assessment)

Level

Company-wide

Primary motivation

Risk mitigation

Description of target

Perform a water withdrawal and risk analysis of Lenovo's operations.

Quantitative metric

Other, please specify (Metric is an analysis covering 100% of Lenovo's manufacturing, R&D, and large office locations)

Baseline year

2020

Start year

2020

Target year

2021

% of target achieved

100

Please explain

In the dropdown menus for this item, 2020 indicates FY20/21 and 2021 indicates FY21/22. The target reflects Lenovo's goal of minimizing impacts of water use. In FY21/22, Lenovo looked at water withdrawal across its global operations including volumes over time by regions and types of facilities. Lenovo then also looked at volumes of withdrawals by type of facility from areas exposed to certain water risks including flooding, drought, and water stress. This information was compiled and shared with the management of Lenovo's EMS system. This activity is annually performed but was formalized this year through the EMS which gave it more visibility. Because Lenovo, completed the analysis within the FY, the target was met.

Target reference number

Target 4

Category of target

Supplier engagement

Level

Company-wide

Primary motivation

Risk mitigation

Description of target

Perform a water withdrawal and risk analysis of direct suppliers.

Quantitative metric

Other, please specify (Metric is an analysis covering Lenovo's direct suppliers)

Baseline year

2020

Start year

2020

Target year

2021

% of target achieved

100

Please explain

In the dropdown menus for this item, 2020 indicates FY20/21 and 2021 indicates FY21/22. The target reflects Lenovo's goal of minimizing impact of supply chain. Assessment used water data collected from top 94% by spend of supplier and information on water risks from publicly available tools, such as WRI Aqueduct's Water Risk Atlas.

Target reference number

Target 5

Category of target

Product use-phase

Level

Business

Primary motivation

Climate change adaptation and mitigation strategiess

Description of target

Notebooks: Improve energy efficiency on average for comparable notebooks by 30% by March 31, 2030, relative to FY 2018/19. Desktops: Improve energy efficiency on average for comparable desktops by 50% by March 31, 2030, relative to FY 2018/19. Servers: Improve energy efficiency on average for comparable servers by 50% by March 31, 2030, relative to FY 2018/19.

Quantitative metric

Other, please specify (improve energy efficiency/product energy use)

Baseline year

2018

Start year

2018

Target year

2030

% of target achieved

8.74

Please explain

In the dropdown menus for this item, 2018 indicates FY18/19 and 2030 indicates March 31, 2030. This target supports Lenovo's SBTi-approved GHG emissions reduction target related to product use. This target is applicable for Lenovo over a direct product water use target because Lenovo's products do not directly consume or interact with water during their use (with the exception of our liquid cooled servers which use water in a closed loop system where minimal water is added or discharged from the system over the server's life). Decreasing product use emissions by increasing product energy efficiency decreases indirect water used to generate the electricity that runs these devices.

Target reference number

Target 7

Category of target

Impact of packaging material

Level

Business

Primary motivation

Reduced environmental impact

Description of target

Achieve 5% reduction in packaging weight or volume for at least one product

Quantitative metric

% decrease of packaging per product unit

Baseline year

2020

Start year

2020

Target year

2021

% of target achieved

82

Please explain

In the dropdown menus for this item, 2020 indicates FY20/21 and 2021 indicates FY21/22. Between 2020 and 2021 Lenovo's packaging team was to reduce the packaging weight or volume for one product by 5% for 11 business units. This was achieved for nine of the eleven applicable business units (82% achieved). The progress made on this target reflects our aim to reduce the use of packaging which in turn reduces the risk of packaging being mismanaged and leaking to the environment/waterbodies.

Target reference number

Target 8

Category of target

Impact of packaging material

Level

Business

Primary motivation

Reduced environmental impact

Description of target

Support bulk packaging for DCG products and/or options

Quantitative metric

% decrease of packaging per product unit

Baseline year

2020

Start year

2020

Target year

2021

% of target achieved

100

Please explain

In the dropdown menus for this item, 2020 indicates FY20/21 and 2021 indicates FY21/22. Under this target, between 2020 and 2021 Lenovo's packaging team was to support the use of bulk packaging use in our Infrastructure Solutions Group (ISG). Increasing the use of bulk packaging decreases the packaging per unit. The team met this target by having seven products supported by bulk packaging. The progress made on this target reflects our aim to reduce the use of single-use packaging which in turn reduces the risk of packaging being mismanaged and leaking to the environment/waterbodies.

Target reference number

Target 9

Category of target

Water consumption

Level

Site/facility

Primary motivation

Reduced environmental impact

Description of target

Lenovo's Indaiatuba manufacturing location (Brazil) had a site-specific goal of 533 cubic meters of water consumption per month.

Quantitative metric

Other, please specify (Achieve a specific monthly water consumption value)

Baseline year

2020

Start year

2020

Target year

2021

% of target achieved

0

Please explain

In the dropdown menus for this item, 2020 indicates FY20/21 and 2021 indicates FY21/22. The site planned to achieve this target through awareness training, inspections, pressure reducers on taps, and automatic taps in urinals. This target was not met due to increased production at the site which led to more employees on site.

Target reference number

Target 10

Category of target

Water consumption

Level

Site/facility

Primary motivation

Reduced environmental impact

Description of target

Lenovo's Pondicherry manufacturing location (India) had a target for FY21/22 to reduce water consumption by 5% compared to FY20/21.

Quantitative metric

% reduction in total water consumption

Baseline year

2020

Start year

2020

Target year

2021

% of target achieved

100

Please explain

In the dropdown menus for this item, 2020 indicates FY20/21 and 2021 indicates FY21/22. The site planned to achieve this target through recycling water for the garden, audits for leakages, and/or raising employee awareness. This target was met.

Target reference number

Target 11

Category of target

Other, please specify (Employee water intensity)

Level

Site/facility

Primary motivation

Reduced environmental impact

Description of target

Lenovo's Beijing R&D facility (China) set a FY21/22 target to achieve a water intensity of 1.4 ton/person/month.

Quantitative metric

Other, please specify (Achieve a specific per person water intensity value)

Baseline year

2020

Start year

2020

Target year

2021

% of target achieved

0

Please explain

In the dropdown menus for this item, 2020 indicates FY20/21 and 2021 indicates FY21/22. The site planned to achieve this target through improving the site's regular water related maintenance checks. This target was not met due to employees returning to office after working from home during the pandemic - baseline was abnormally low due to reduced office capacity meaning some facilities were not in use that year such as canteen, gyms, and showers.

Target reference number

Target 12

Category of target

Other, please specify (Employee water intensity)

Level

Site/facility

Primary motivation

Reduced environmental impact

Description of target

Lenovo's Shanghai R&D facility (China) set a FY21/22 target to achieve a water intensity of 1 ton/person/month.

Quantitative metric

Other, please specify (Achieve a specific per person water intensity value)

Baseline year

2020

Start year

2020

Target year

2021

% of target achieved

100

Please explain

In the dropdown menus for this item, 2020 indicates FY20/21 and 2021 indicates FY21/22. The site planned to achieve this target through staff awareness. This target was met.

Target reference number

Target 13

Category of target

Other, please specify (Employee water intensity)

Level

Site/facility

Primary motivation

Reduced environmental impact

Description of target

Lenovo's Shenzhen R&D facility (China) set a FY21/22 target to achieve a water intensity of 1.02 ton/person/month.

Quantitative metric

Other, please specify (Achieve a specific per person water intensity value)

Baseline year

2020

Start year

2020

Target year

2021

% of target achieved

100

Please explain

In the dropdown menus for this item, 2020 indicates FY20/21 and 2021 indicates FY21/22. The site planned to achieve this target through staff awareness. This target was met.

Target reference number

Target 14

Category of target

Other, please specify (Employee water intensity)

Level

Site/facility

Primary motivation

Reduced environmental impact

Description of target

Lenovo's Xiamen R&D facility (China) set a FY21/22 target to achieve a water intensity of 1.37 ton/person/month.

Quantitative metric

Other, please specify (Achieve a specific per person water intensity value)

Baseline year

2020

Start year

2020

Target year

2021

% of target achieved

100

Please explain

In the dropdown menus for this item, 2020 indicates FY20/21 and 2021 indicates FY21/22. The site planned to achieve this target through staff awareness, prompt repair of water leaks, and monthly monitoring. This target was met.

Target reference number

Target 15

Category of target

Water withdrawals

Level

Site/facility

Primary motivation

Reduced environmental impact

Description of target

Lenovo's Taipei R&D facility set a FY21/22 target to achieve water consumption volume of +/-5% of the site's FY20/21 volume.

Quantitative metric

Other, please specify (Achieve a specific water use range)

Baseline year

2020

Start year

2020

Target year

2021

% of target achieved

100

Please explain

In the dropdown menus for this item, 2020 indicates FY20/21 and 2021 indicates FY21/22. The site planned to achieve this target through staff awareness and monthly monitoring. This target was met.

Target reference number

Target 16

Category of target

Water withdrawals

Level

Site/facility

Primary motivation

Reduced environmental impact

Description of target

Lenovo's Yokohama R&D facility set a FY21/22 target to maintain water consumption volume of 200 cubic meters or less.

Quantitative metric

Other, please specify (Achieve a specific water use value)

Baseline year

2020

Start year

2020

Target year

2021

% of target achieved

100

Please explain

In the dropdown menus for this item, 2020 indicates FY20/21 and 2021 indicates FY21/22. The site planned to achieve this target through maintenance, management, and education. This target was met.

Target reference number

Target 17

Category of target

Monitoring of water use

Level

Site/facility

Primary motivation

Recommended sector best practice

Description of target

Lenovo's FCCL headquarters and R&D facility set a FY21/22 target to measure water consumption every month.

Quantitative metric

% sites monitoring water withdrawals total volumes

Baseline year

2020

Start year

2020

Target year

2021

% of target achieved

100

Please explain

In the dropdown menus for this item, 2020 indicates FY20/21 and 2021 indicates FY21/22. This target was appropriate for FCCL because it is relatively new to Lenovo's EMS system and is still working on measuring and setting baselines. This target was met by monitoring water withdrawals every month for both sites in Lenovo's internal tracking tool.

Target reference number

Target 18

Category of target

Other, please specify (Employee Water Intensity)

Level

Site/facility

Primary motivation

Reduced environmental impact

Description of target

Lenovo's Chongqing R&D facility (China) set a FY21/22 target to achieve a water intensity of 1.37 ton/person/month.

Quantitative metric

Other, please specify (Achieve a specific per person water intensity value)

Baseline year

2020

Start year

2020

Target year

2021

% of target achieved

100

Please explain

In the dropdown menus for this item, 2020 indicates FY20/21 and 2021 indicates FY21/22. The site planned to achieve this target through staff awareness, monitoring for leaks, and monthly monitoring. This target was met.

Target reference number

Target 19

Category of target

Other, please specify (Employee Water Intensity)

Level

Site/facility

Primary motivation

Reduced environmental impact

Description of target

Lenovo's Huiyang manufacturing facility (China) set a FY21/22 target to achieve a water intensity of less than 5 ton/person/month.

Quantitative metric

Other, please specify (Achieve a specific per person water intensity value)

Baseline year

2020

Start year

2020

Target year

2021

% of target achieved

100

Please explain

In the dropdown menus for this item, 2020 indicates FY20/21 and 2021 indicates FY21/22. The site planned to achieve this target through staff awareness. This target was met.

Target reference number

Target 20

Category of target

Other, please specify (Employee Water Intensity)

Level

Site/facility

Primary motivation

Reduced environmental impact

Description of target

Lenovo's Chengdu manufacturing facility (China) set a FY21/22 target to achieve a water intensity of less than 2.78 ton/person/month.

Quantitative metric

Other, please specify (Achieve a specific per person water intensity value)

Baseline year

2020

Start year

2020

Target year

2021

% of target achieved

100

Please explain

In the dropdown menus for this item, 2020 indicates FY20/21 and 2021 indicates FY21/22. The site planned to achieve this target through water saving measures. This target was met.

Target reference number

Target 21

Category of target

Other, please specify (Employee Water Intensity)

Level

Site/facility

Primary motivation

Reduced environmental impact

Description of target

Lenovo's NEC Yonezawa manufacturing facility (Japan) set a FY21/22 target to maintain water intensity (ton/person/month) within 5% of previous year.

Quantitative metric

Other, please specify (Achieve a specific per person water intensity value)

Baseline year

2020

Start year

2020

Target year

2021

% of target achieved

100

Please explain

In the dropdown menus for this item, 2020 indicates FY20/21 and 2021 indicates FY21/22. The site planned to achieve this target through operational control. This target was met.

Target reference number

Target 22

Category of target

Other, please specify (Employee Water Intensity)

Level

Site/facility

Primary motivation

Reduced environmental impact

Description of target

Lenovo's NEC Gunma manufacturing facility (Japan) set a FY21/22 target to maintain water intensity (ton/person/month) within 5% of previous year.

Quantitative metric

Other, please specify (Achieve a specific per person water intensity value)

Baseline year

2020

Start year

2020

Target year

2021

% of target achieved

100

Please explain

In the dropdown menus for this item, 2020 indicates FY20/21 and 2021 indicates FY21/22. The site planned to achieve this target through operational control. This target was met.

W8.1b**(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.****Goal**

Other, please specify (Reduce environmental impacts of water withdrawal and discharges)

Level

Company-wide

Motivation

Reduced environmental impact

Description of goal

Lenovo has a goal to minimize environmental impacts associated with water withdrawal and water discharge from Lenovo operations and products. Lenovo has long-term qualitative objectives; these objectives are revisited every year as part of the EMS process with the same goals often remaining year to year but supported by different quantitative targets. This goal is important to Lenovo because it supports the requirements of programs and standards to which Lenovo subscribes, such as ISO14001, UN CEO Water Mandate, and GRI, and the expectations of many of our customers and investors that Lenovo measure, report, and improve our water use, impacts, and risks. Lenovo is implementing this objective by measuring and monitoring water withdrawals and discharges company-wide annually, setting annual targets for these metrics, and mapping water risks.

Baseline year

2020

Start year

2020

End year

2021

Progress

In the dropdown menus for this item, 2020 indicates FY20/21 and 2021 indicates FY21/22. This objective rolls over from year to year but has been an annual objective for many years. Targets 1 and 3 in response to W8.1a supported this goal during FY21/22. An indicator used to track success is per person water withdrawal which is considered a success if it maintained within a threshold of +/-5% from year to year. In FY21/22, Lenovo's progress towards this objective can be seen in our achievement of the supporting targets. In FY20/21, in alignment with this goal, Lenovo adopted a corporate water policy and endorsed the UN CEO Water Mandate.

Goal

Reduce environmental impact of product in use phase

Level

Company-wide

Motivation

Climate change adaptation and mitigation strategies

Description of goal

Lenovo has a goal to drive reduction in product energy use. Lenovo has long-term qualitative objectives; these objectives are revisited every year as part of the EMS process with the same goals often remaining year to year but supported by different quantitative targets. This goal is important to Lenovo because it supports Lenovo's greenhouse gas emission reduction targets, including those approved by the Science Based Targets initiative, and expectations of our customers and investors to lessen the impact of our products on the environment through energy efficiency. Lenovo is implementing this long-term objective across the Company by setting annual quantitative targets related to product energy efficiency improvements, including Target 5 in response W8.1a, for applicable business units.

Baseline year

2020

Start year

2020

End year

2021

Progress

In the dropdown menus for this item, 2020 indicates FY20/21 and 2021 indicates FY21/22. Target 5 in response to W8.1a supported this goal during FY21/22. The indicator used to track success for the target that supported this goal is energy efficiency. The threshold for success is improved energy efficiency from a baseline of FY18/19 varied by product type (30% for notebooks and 50% for desktops and servers). In FY21/22, Lenovo's progress towards this objective can be seen in our continued improvement in energy efficiency for these product groups. This goal is tangentially related to water because, while our products do not directly interact with water, they consume energy which has indirect water impacts. In addition, greater energy use, leads to greater climate change, which can lead to increased water risks.

Goal

Other, please specify (Reduce environmental impact of packaging)

Level

Company-wide

Motivation

Reduced environmental impact

Description of goal

Lenovo has a goal to minimize packaging material consumption while driving the use of environmentally sustainable materials. This goal is important to Lenovo because it supports Lenovo's ambition to minimize the impacts of our packaging and meet the expectations of our customers and investors in this area. Environmentally friendly packaging is an increasingly important topic for our customers. Lenovo is implementing this goal across the Company through annual packaging initiatives and targets to reduce packaging.

Baseline year

2020

Start year

2020

End year

2021

Progress

In the dropdown menus for this item, 2020 indicates FY20/21 and 2021 indicates FY21/22. In FY20/21, two targets were set to support this goal, including targets 7 and 8 from response to W8.1a. Lenovo is implementing this long-term objective by reducing the packaging weight associated with our products and promoting bulk packaging for our data center products. The main indicator used to track success for this goal is packaging weight or volume. The threshold for success is packaging volume or weight reductions of 5% or greater. In FY21/22, Lenovo's progress towards this objective can be seen through partial achievement of the supporting targets. This goal can have positive water-related impacts downstream; if less waste is produced, it is less likely for mismanaged waste to end up in the environment/waterbodies.

Goal

Other, please specify (Reduce energy use and emissions)

Level

Company-wide

Motivation

Reduced environmental impact

Description of goal

Lenovo has a goal to maximize energy efficiency and minimize CO2e emissions associated with the development, manufacture, and delivery of Lenovo products. This goal is important to Lenovo because it supports Lenovo's ambitions to slow and lessen climate change which Lenovo has long supported because it is the right thing to do and it is becoming an increasingly important expectation of our customers, employees, and investors. Lenovo is implementing this long-term objective by improving energy efficiency at manufacturing and R&D sites, increasing purchases of energy attribute certificates, and increasing on-site generation of renewable energy. Lenovo has set emission reduction targets approved by the Science Based Targets initiative which support this goal and aid in its implementation.

Baseline year

2020

Start year

2020

End year

2021

Progress

In the dropdown menus for this item, 2020 indicates FY20/21 and 2021 indicates FY21/22. In FY20/21, Lenovo set four targets to support this goal. The main indicators used to track success for this goal are energy intensity, megawatt (MW) of energy, and tons of CO2e emissions. The threshold for success is reduced energy intensity from year to year, increased renewable energy purchased and installed, and decreased CO2e emissions. In FY21/22, Lenovo's progress towards this goal can be seen in the progress towards the supporting targets. This goal is tangentially related to water because climate change is and will affect the distribution of water and the occurrences of extreme weather events.

Goal

Engagement with suppliers to reduce the water-related impact of supplied products

Level

Company-wide

Motivation

Reduced environmental impact

Description of goal

Lenovo has a goal to monitor, drive and minimize environmental impact in the Lenovo Supply Chain. This goal is important to Lenovo because as Lenovo seeks to minimize overall environmental impact, the supply chain plays an important role. Furthermore, a responsible supply chain is important to our stakeholders. Lenovo is implementing this long-term objective by setting targets for the percent of business done with suppliers with certain environmental practices. In addition, Lenovo implements this goal through our Science Based Targets related to Scope 3 emissions from purchased goods and services, which is indirectly related to water in that reduction of GHG emissions mitigates climate change and the water related impacts of climate change.

Baseline year

2020

Start year

2020

End year

2021

Progress

In the dropdown menus for this item, 2020 indicates FY20/21 and 2021 indicates FY21/22. In FY21/22, four targets were set to support this goal, including Target 4 in our responses to 8.1a. Lenovo is implementing this long-term objective by setting requirements for the emissions and environmental practices associated with our suppliers. The main indicators used to track success for this goal are percent spend associated with suppliers with certain practices in place and GHG emissions. A threshold for success included a 25% reduction in GHG emissions per million US\$ procurement spend from FY18/19 to FY29/30. This goal is related to water since GHG emissions are indirectly related to water in that reduction of GHG emissions mitigates climate change and the water related impacts of climate change. In addition, one of the supporting targets for Lenovo was to complete a water withdrawal and risk analysis of direct suppliers.

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 FY21/22, the data was verified by TÜV SÜD. In W1, the verified data was used to answer W1.2b, W1.2h, and W1.2i.	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 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 nine of 125 small offices that voluntarily reported partial water data.

W10. 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.

W10.1

(W10.1) 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

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

Yes

Submit your response

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 confirm below

I have read and accept the applicable Terms