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VERIFICATION STATEMENT GREENHOUSE GAS EMISSIONS AND ENERGY CONSUMPTION

Lenovo, June 2020



Slovakia

VERIFICATION STATEMENT GREENHOUSE GAS EMISSIONS AND ENERGY CONSUMPTION

TÜV SÜD Slovakia s.r.o has prepared this Verification Statement for Lenovo Group (Lenovo), through which it confirms that Lenovo’s global reported direct and indirect greenhouse gas (GHG) emissions and energy consumption have received reasonable verification for Scope 1 & Scope 2 emissions and energy consumption and limited verification for Scope 3 emissions in accordance with the requirements of the ISO 14064-3: Greenhouse gases – Part 3 Standard. The verification covers Lenovo’s stated historic emissions for one reporting fiscal year – the 12 months period starting April 1st, 2019 and ending March 31st, 2020. This Verification Statement applies to the related information included within the scope of work described below.

Our opinion on the results of the Inventory, with respect to the verification objectives and criteria, is provided in this statement.

ROLES & RESPONSIBILITIES:

It is Lenovo sole responsibility to maintain its GHG information system, the development and maintenance of records and reporting procedure in accordance with that system, including the calculations and determination of GHG emissions information and the reported GHG emissions.

It is TÜV SÜD Slovakia s.r.o. sole responsibility to express an independent verification on the energy consumption, Scope 1, Scope 2 and Scope 3 GHG emissions reported, and on the underlying systems and processes used to collect, analyze and review the information.

VERIFICATION SCOPE & ASSERTIONS:

The scope of this verification assignment covers Lenovo FY 2019/2020 GHG Emissions Inventory, which includes Lenovo energy consumption and carbon dioxide (CO₂) emissions from Scope 1, Scope 2 and Scope 3 for:

- Operational Control
- Worldwide

Lenovo Group Energy Consumption and GHG Emissions for FY 2019/2020	
Total Direct and Indirect Energy Consumption – Reasonable Assurance	
327,797 Megawatt Hours (MWh)	
Scope 1 and 2 Emissions – Reasonable Assurance	
Scope 1 Emissions	7,766 metric tons (mt) of CO ₂ equivalent (CO ₂ e)
Scope 2 Emissions: Location Based	162,597 mt CO ₂ e
Scope 2 Emissions: Market Based (total)	23,852 mt CO ₂ e (includes 3,230 mt CO ₂ e from purchased steam in China)

Scope 3 Emissions – Limited Assurance	
Category 1: Purchased Goods and Services (Limited to Purchased Goods)	2,341,000 mt CO ₂ e
Category 2: Capital Goods	446,500 mt CO ₂ e
Category 3: Fuel & Energy Related Activities (Limited to Transportation & Distribution Losses)	10,385 mt CO ₂ e
Category 4: Upstream Transportation & Distribution	716,384 mt CO ₂ e
Category 5: Waste Generated in Operations	2,110 mt CO ₂ e
Category 6: Business Travel (air travel and rental cars)	46,900 mt CO ₂ e
Category 7: Employee Commuting	24,900 mt CO ₂ e
Category 11: Use of Sold Products	13,669,000 mt CO ₂ e
Category 12: End of Life Treatment of Sold Products	274,000 mt CO ₂ e

Energy Consumption and Scope 1 & Scope 2 GHG Emissions:

Most energy consumption and Scope 1 & Scope 2 GHG emissions data were historical in nature, data consisting of metered consumption, though some Scope 2 emissions were estimated based on square feet of leased area and an assumed electric consumption rate.

Scope 3 GHG Emissions:

Data and information supporting the Scope 3 GHG emissions assertion were in many cases estimated rather than historical in nature.

VERIFICATION PERIOD:

April 1, 2019 to March 31, 2020 (FY 2019/2020)



Slovakia

VERIFICATION CRITERIA:

The Lenovo Inventory was prepared using and verified against:

- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol, Corporate Accounting and Reporting Standard, Revised Edition (Scope 1 and 2) and the GHG Protocol Scope 2 Guidance, an amendment to the GHG Protocol Corporate Standard; and
- WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3).

TÜV SÜD Slovakia s.r.o. conducted verification activities in alignment with the principles of:

- ISO 14064-3: Greenhouse gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions; and
- International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after Dec. 15, 2015), issued by the International Auditing and Assurance Standards Board.

LEVEL OF ASSURANCE AND MATERIALITY:

Energy Consumption and Scope 1 & Scope 2 GHG Emissions:

The level of assurance agreed is **reasonable**.

Scope 3 GHG Emissions:

The level of assurance agreed is **limited**.

Materiality:

The materiality required of this verification was considered by TÜV SÜD Slovakia s.r.o to be below 5% for deviations in sampled data.

GHG AND ENERGY VERIFICATION METHODOLOGY:

- Agreement on the level of verification, objectives, criteria, organisational scope and materiality thresholds;
- Review of the processes and procedures for establishing the organisational boundary, ensuring relevance in emissions reporting across direct and indirect emissions sources;
- Facility Teleconference Audit (due to travel restrictions related to COVID-9 pandemic, on-site visits were not allowed):
 - Site Brazil: 11.05. – 15.05.2020; INDAIATUBA, Sao Paulo,
 - Site Germany: 02.06. – 05.06.2020; MEDION AG, Essen;
- Assessment of the GHG data collection system and controls through interviews and documents review provided by Lenovo;
- Interviews with Lenovo's employees (teleconference and in-person);
- Review of data and information systems and methodology for gathering, analysis and review of information used to determine energy consumption and GHG emissions at Lenovo's office in Bratislava, Slovakia; and
- Audit of data samples used by Lenovo to determine energy consumption and GHG emissions.



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ASSURANCE OPINION:

Based on the teleconference audits conducted and review of all available documentation, TÜV SÜD Slovakia s.r.o. comes to the conclusion that the Lenovo energy consumption and Scope 1 and Scope 2 GHG emissions assertions are made in accordance with the requirements of the voluntary WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard. TÜV SÜD Slovakia s.r.o. concludes with reasonable assurance that **reviewed documents are material correct and fairly represent the required parameters without material discrepancies.**

Based on the data and information provided by Lenovo and the processes and procedures conducted, TÜV SÜD Slovakia s.r.o. concludes with limited assurance there is no evidence that the Scope 3 GHG emissions assertion:

- is not materially correct;
- is not a fair representation of the GHG emissions data and information; and
- is not prepared in accordance with the WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

It is our opinion that Lenovo has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of its energy consumption and Scope 1, Scope 2 & Scope 3 GHG emissions for the stated period and boundaries. The GHG emissions information for the period 04/01/2019 – 03/31/2020 is verified by TÜV SÜD Slovakia s.r.o. to a reasonable level of assurance for Lenovo energy consumption and Scope 1 & 2 GHG emissions, and limited level of assurance for Scope 3 GHG emissions, consistent with the agreed verification scope, objectives and criteria.

CONFLICTS OF INTEREST AND COMPETENCE:

TÜV SÜD Slovakia s.r.o. is an independent professional services company with over 150+ years of business success.

TÜV SÜD Slovakia s.r.o. avoids conflicts of interest. Independence, integrity and transparency of our services are the foundation of our customers' trust in us.

TÜV SÜD Slovakia s.r.o. has implemented a Code of Ethics (Directive on the TÜV SÜD, Section III.3 and III.4 Prevention of conflicts of interests and corruption).

The TÜV SÜD Code of Ethics is binding for all TÜV SÜD employees worldwide.

All TÜV SÜD employees shall receive the TÜV SÜD Code of Ethics as an electronic copy (via e-mail as a PDF file) or as a printed version in a language that they are familiar with. In addition to this, the TÜV SÜD Code of Ethics is always available on the TÜV SÜD Intranet and Internet for ease of reference.

All TÜV SÜD executives shall ensure strict observance of the TÜV SÜD Code of Ethics among their members of staff and aim to be role models for their employees. No employee should suffer any disadvantage as a result of complying with the TÜV SÜD Code of Ethics.



Slovakia

TÜV SÜD Compliance Principles:

- We operate lawfully
- We avoid conflicts of interest
- We do not tolerate corruption
- We play fair
- We handle information carefully
- We follow export control and customs laws
- We observe occupational health and safety standards
- We manage assets carefully
- We do not support money laundering
- We do not tolerate discrimination

Attestation:

Pavel Hrubý, Lead Verifier
Environmental Specialist

Branislav Chmel
Holder of Procuration
Division Manager Business Assurance

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June 26th, 2020

This verification statement, including the opinion expressed herein, is provided to Lenovo and is solely for the benefit of Lenovo in accordance with the terms of our agreement.