Lenovo Group - Water Security 2021

W0. Introduction

W0.1

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

Lenovo (HKSE: 992) (ADR: LNVGY) is a multinational technology company with approximately 71,500 employees all over the world doing business in more than 180 markets for customers that are as diverse and global as we are. Focused on our bold vision called Smarter Technology for All, we are developing world-changing technologies that create a more inclusive, trustworthy, and sustainable digital society; therefore, protecting our planet and actively searching for new ways to reduce Lenovo's impact and contribute to global change for good continues to be among our top priorities.

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 the Company's nearly 71,500 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. In FY20/21, Lenovo made further enhancements to our programs including improving our water accounting and annual water risk mapping exercise, adopting a corporate Water Resiliency Policy, and endorsing the UN CEO Water Mandate.

Lenovo's corporate policy on environmental affairs is supported by the Company's ISO 14001 certified global Environmental Management System (EMS), which is key to 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 our Top Suppliers. Top Suppliers refers to our Tier 1 suppliers that make up at least 95% of our procurement spend and in FY20/21 included 70 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 has begun analyzing local water risks across within 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 cross-sectoral cooperation and collaboration. 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 security.

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 2020	March 31 2021

W0.3

(W0.3) Select the countries/areas for which you will be supplying data.

Argentina
Australia
Brazil
Canada
China
France
Germany
India
Japan
Malaysia
Mexico
Romania
Russian Federation
Singapore
Slovakia
Taiwan, Greater China
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America

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 – Large Office in Madrid, Spain	Lenovo requires measured or estimated water use data from all our manufacturing, R&D, and large office sites; however, there was one large office site in Madrid, Spain that was unable to report water data in FY20/21 and, therefore, is excluded from our disclosures. Site specific challenges exist at this location that prevented the collection and reporting of this information. This exclusion represents approximately 0.7% of Lenovo's global employee headcount.
Facilities - Small office locations (<100 employees) and retail locations.	Lenovo defines small offices as offices with less than 100 employees. In FY20/21, Lenovo operated 133 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 may not be metered uniquely by the landlord and often these locations share WASH services with other building tenants), Lenovo does not require the collection and reporting of water use data. This exclusion represents approximately 5.6% of Lenovo's global employee headcount.
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 two manufacturing facilities. 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.

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 nearly 71,500 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 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 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 Credit 360 Sustainability Software (Cr360). 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 FY20/21, the third party was TÜV SÜD.
Water withdrawals – volumes by source	100%	To meet new GRI requirements, the environmental focal points at our environmentally significant sites (21 manufacturing and R&D sites representing about 36% of the sites in our reporting boundary and 93% of withdrawals) provided additional information about water use, including withdrawal source, to the corporate SME for the first time this year. The remaining sites within the reporting boundary were surveyed at the end of the year to collect a subset of the information, including withdrawal sources. Once per year was deemed sufficient because the sources are usually constant. The focal points providing the information 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" row.
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 Cr360. 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 FY20/21, the third party was TÜV SÜD.
Water discharges – volumes by destination	100%	To meet new GRI requirements, the environmental focal points at our environmentally significant sites (21 manufacturing and R&D sites representing about 36% of the sites in our reporting boundary and 93% of withdrawals) provided additional information about water use, including discharge destinations, to the corporate SME for the first time this year. The remaining sites within the reporting boundary were surveyed at the end of the year to collect a subset of the information, including discharge destinations. Once per year was deemed sufficient because the destinations are usually constant. The focal points providing the information 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 destination; for details on method and frequency of discharge volume data, see "Water discharges-total volumes" row.
Water discharges – volumes by treatment method	100%	To meet new GRI requirements, the environmental focal points at our environmentally significant sites (21 manufacturing and R&D sites representing about 36% of the sites in our reporting boundary and 93% of withdrawals) provided additional information about water use, including treatment methods by Lenovo and third parties, to the corporate SME for the first time this year. The remaining sites within the reporting boundary were surveyed at the end of the year to collect a subset of the information, including discharge destinations. Once per year was deemed sufficient because the methods are usually constant. The focal points providing the information are familiar with the site operations and able to determine (measure) which methods apply to the site based on local site knowledge. This data was then applied to the discharge volume data to determine volumes per method; for details on method and frequency of discharge volume data, see "Water discharges-total volumes" row.
Water discharge quality – by standard effluent parameters	Not relevant	Lenovo has not found a corporate program for measuring and monitoring discharge quality relevant to our operations because this continues to be successfully managed at the site level. 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, but the method and frequency of measurement are determined by local regulations or third party requirements. Given that Lenovo's main water use is likely to remain WASH services, our discharges are likely to remain non- industrial in nature and that we plan to continue to send the vast majority to third parties for treatment (usually tertiary), we do not anticipate a corporate water discharge quality monitoring program to be relevant in the future.
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 Cr360, 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 Cr360. The frequency of individual site data collection is usually monthly. Semi-annually, the monthly data goes through two internal reviews. In FY20/21, four locations reported using recycled water in Cr360.
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 employee access to WASH services is verified through Responsible Business Alliance (RBA) audits. Of note on this topic, Lenovo operates employee dormitories at two manufacturing locations. 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	1428	Higher	There was an approximately 9.3% increase from 1,307.0 to 1,428.0 megaliters between FY19/20 and FY20/21. This change is primarily due to an increase in employees at our manufacturing locations to meet increased demand for Lenovo products during the Covid-19 pandemic. In addition, these locations operated with new precautions in place, such as increased shared surface sanitation and increased handwashing, that led to more water use. The increase in water use at the Company's manufacturing sites was not offset by the decrease in water use associated with remote work which was in place for many R&D and office operations. In the very short term, Lenovo anticipates an increase in withdrawals as employees at non-manufacturing sites return to work onsite as pandemic protections are lifted. 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 FY20/21 the third party was TÜV SÜD.
Total discharges	1294	Higher	There was an approximately 9.3% increase from 1,183.0 to 1,294.0 between FY19/20 and FY20/21. This increase is in proportion to the increase in withdrawals for the same period and is primarily due to an increase in employees at our manufacturing locations to meet increased demand for Lenovo products during the Covid-19 pandemic. In addition, these locations operated with new precautions in place, such as increased shared surface sanitation and increased handwashing, that led to more water use. The increase in water use at the Company's manufacturing sites was not offset by the decrease in water use associated with remote work which was in place for many R&D and office operations. In the very short term, Lenovo anticipates an increase in water use as employees at non-manufacturing sites return to work onsite as pandemic protections are lifted. 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 water use. Annually, this data is audited by a third party. For FY20/21 the third party was TÜV SÜD.
Total consumption	134	Higher	Total consumption is calculated as the difference between total water withdrawals and total discharges. There was an approximately 8% increase from 124.0 to 134.0 between FY19/20 and FY20/21. This increase is in portion with our change in withdrawals and discharge for the same period (overall water use) and the change is primarily due to increase water use described above (more employees at manufacturing sites to meet increased product demand and more water use at these sites for Covid-19 precautions). 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). 6 out of our 14 manufacturing and 2 out of our 14 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. 343 megaliters in FY20/21 which was a slight increase from 322 megaliters in FY19/20 but it remains about 24% of our total withdrawals (24.0% for FY20/21 compared to 24.6% for FY19/20).

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		Please select	This source is relevant because 2 of our sites obtain water from on-site groundwater wells. There was a 70% increase in this volume from 5.75 to 9.79 megaliters between FY19/20 and FY20/21. 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. 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 slightly increase next year once the well at our Pondicherry site has been online for a full year and employees return to work post-pandemic but then to remain about the same year to year.
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		Please select	This is relevant because Lenovo receives the majority of water from third parties. There was an approx. 8.9% increase from 1,302.25 to 1,418.21 megaliters from FY19/20 to FY20/21. The change is primarily due to more employees at our manufacturing sites to meet increased demand for Lenovo products during the Covid-19 pandemic. In addition, these sites operated with new precautions, such as increased shared surface sanitation and handwashing, that led to more water use. This increase was not offset by the decrease in water use associated with remote work that was in place at many R&D and office sites. In the short term, Lenovo anticipates an increase in withdrawals as employees at non-manufacturing sites return to the sites. After a new normal has been established, Lenovo anticipates withdrawals to remain about the same; although the Company may continue to experience organic growth and increases in headcount will increase total water use, we will strive to reduce per person water use.

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	1.66	Lower	This destination is relevant because Lenovo's Pondicherry, India manufacturing system operates a septic system. Due to improved data collection in FY20/21, an error was corrected in which this destination was previously characterized as a third-party destination. Despite this being our first year of reporting a groundwater destination volume to CDP, the actual volume from this site decreased from what would have been reported last year (1.78 megaliters) had the error not occurred. The decrease was due to the installation of a new sewage treatment plant to treat a portion of discharge to reuse as garden irrigation. 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	1292.34	Higher	This is relevant because Lenovo discharges most water back to third-parties. There was an approx. 9.2% increase from 1,183.0 to 1,292.34 megaliters from FY19/20 to FY20/21. The change is primarily due to more employees at our manufacturing sites to meet increased demand for Lenovo products during the Covid-19 pandemic. In addition, these sites operated with new precautions, such as increased shared surface sanitation and handwashing, that led to more water use. This increase was not offset by the decrease in water use associated with remote work that was in place at many R&D and office sites. In the short term, Lenovo anticipates an increase in discharge as employees at non-manufacturing sites return to the office. 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 increase water use, we will strive to reduce per person water use.

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	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Secondary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Primary treatment only	Relevant	1.66	This is our first year of measurement	Less than 1%	Lenovo has one site, a manufacturing location in Pondicherry, India, where wastewater is treated by a septic system. This site represents less than 1% of the discharges within our reporting boundary. Lenovo anticipates this value to remain relatively constant year to year as we plan to continue to primarily send our discharges to third-party treatment systems.
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Discharge to a third party without treatment	Relevant	1292.83	This is our first year of measurement	91-99	Across our reporting boundary, the vast majority (>99%) is discharged to third parties without treatment. In a few locations with canteens, this water passes through a grease trap first. At a corporate level we collected more detailed information on discharges, including third party treatment levels, from our 21 environmentally significant sites (which represent 93% of our total discharges) and found that 20 of these sites discharged to a third party for treatment (the other is the Pondicherry site mentioned above in the primary treatment row). 18 of these 20 sites, representing 70 .3% of the discharge from these sites, send wastewater on to third-parties where it receives tertiary treatment. One site, our Wuhan China facility, which represents 27.4% of the discharges from these sites, sends wastewater to a third-party where it is receives secondary treatment. And the remaining site, in Gunma, Japan, represents about 2.3% of the discharge from these sites and sends its discharge to primary treatment (septic system) operated by a third party.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	

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 ask our Top Suppliers (see description of this term in W0.1) to formally report their environmental impact data, preferably via either the Responsible Business Alliance or the CDP reporting methodologies and platforms. 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. Failure to comply with the request would violate our Supplier Code of Conduct which is part of our contract terms with our suppliers. In FY20/21, Lenovo collected water use and water target data from our Top Suppliers which constitutes 70 of our approximately 350 Tier 1 suppliers (total number of Tier 1 suppliers varies quarter to quarter).. Lenovo is focusing engagement activities on this subset because these 70 Top Suppliers account for >95% of Lenovo's procurement spend; therefore, environmental improvements within this subset will have the largest impact on overall supply chain sustainability. Expanding this to include the remaining 280 or so suppliers that represent <5% of spend would be a resource intensive effort with less impactful results.

Impact of the engagement and measures of success

From these disclosures, Lenovo tracks our Top Suppliers' water use data (annual withdrawal, recycling, and discharge) and whether our Top 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, 63 out of 70 Top Suppliers for which data was collected had public water goals, which represents an increase, and there was over a 5% decrease in Lenovo allocated water withdrawals from our Top Suppliers (roughly estimated using supplier's total reported withdrawal volume multiplied by the ratio of Lenovo's annual spend with the supplier and the supplier's corporate revenue), despite a slight increase in supplier data coverage. These metrics and the year –to-year changes measure success of our engagement.

Comment

N/A

W1.4b

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

Type of engagement
Onboarding & compliance

Details of engagement
Requirement for water-related targets is included in your supplier selection mechanism

% of suppliers by number
1-25

% of total procurement spend
76-100

Rationale for the coverage of your engagement
In FY20/21, under Lenovo's ISO 14001 certified Environmental Management System (EMS), Lenovo's global supply chain had a target to have at least 85% spend with Tier 1 suppliers with public water and waste targets. We ask our Top Suppliers every year to formally report their environmental impact data, preferably via either the RBA or the CDP reporting methodologies and platforms, both of which ask about public water targets. We incentivize our Top Suppliers to disclose such information through Lenovo's publicly available Supplier Code of Conduct, which requires suppliers to report data when requested. For the most recent supplier data collection period, Lenovo collected environmental data, including data about water targets, from our Top Suppliers which constitutes 70 of our approximately 350 Tier 1 suppliers (total number of Tier 1 suppliers varies quarter to quarter). From this disclosure, Lenovo was able to determine which suppliers have publicly available water targets and track this metric to ensure the target is met. Lenovo is focusing overall environmental engagement activities on this subset because these 70 Top Suppliers account for >95% of procurement spend; therefore, environmental improvements within this subset will have the largest impact on overall supply chain sustainability. Expanding this to include the remaining 280 or so suppliers that represent <5% of spend would be a resource intensive effort with less impactful results. Of the Top Suppliers for which public water targets are tracked, we determined 85% of procurement spend as the appropriate coverage for supplier public water targets for the following reasons: (1) some suppliers in our Top Suppliers change year to year so this may be the first year of engagement with some suppliers and they may need additional time to understand and respond to Lenovo's environmental priorities and (2) some suppliers have multiple material issues that apply to their operations so need some flexibility to focus on the most material topics and water may not end up being one of the prioritized, material topics for every supplier.

Impact of the engagement and measures of success
Success of this supplier engagement is measured by % of Top Suppliers with a public water target. For FY20/21, we exceeded the target with approximately 63 out of the 70 Top Suppliers for which we track environmental data having a public water target during the most recent supplier data collection period. The beneficial outcomes of this engagement are the following: (1) these suppliers are encouraged to keep water targets which requires a level of awareness of their water use, risks, and improvement areas, (2) these targets must be public and such transparency increases accountability for actions and progress against the targets, (3) as these suppliers strive to meet the water targets they have set they will be improving their water security and thus Lenovo's water security, and (4) even the suppliers in our environmental data collection program that do not yet have a public water target are requested to disclose to us whether they have a public water target so they are aware it is a priority for Lenovo. This information about public water targets is also incorporated into our supplier scorecard process. 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 process 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 met our standards. These scorecards help us further measure engagement success on environmental topic.

Comment
N/A

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 ask our Top Suppliers every year to formally report their environmental data, preferably via either the RBA or the CDP reporting methodologies and platforms. We incentivize our Top Suppliers to disclose this data through Lenovo's publicly available Supplier Code of Conduct, which requires suppliers to report data when requested. During the most recent supplier data collection period, Lenovo collected environmental data, including water data, from our Top Suppliers which constitutes 70 of our approximately 350 Tier 1 suppliers (total number of Tier 1 suppliers varies quarter to quarter). 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 70 Top Suppliers account for >95% of procurement spend; therefore, environmental improvements within this subset will have the largest impact on overall supply chain sustainability. Expanding this to include the remaining 280 or so suppliers that represent <5% of spend would be a resource intensive effort with less impactful results.

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 met our standards. Success is measured by maintaining or improving the sustainability indicators on the scorecards for our supplier base year over year and decrease allocated water use. For example, between the last two supplier data reporting periods, water withdrawals from our top 90% of procurement spend decreased from 27,859,680 cubic meters to 26,129,177 cubic meters. This decrease in water withdrawal year to year is a measurement of the success of this engagement. This decrease occurred despite overall increase in spending year to year meaning water use intensity in our supply chain (water use per dollar spend) decreased.

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-levelling 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's most focused value-chain engagements are with customers and communities. Lenovo's customer-centric culture has led us to collaborate on water topics with customers in a variety of ways. 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 being 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. The Lenovo Foundation is focused on giving back to communities, especially those where we operate. Through the Lenovo Foundation, time and money has been donated to water/sanitation-related projects. For example, in FY20/21, during our Global Month of Service (GMoS), employees volunteered with Clean the World to provide sanitation kits to homeless populations. Success of the Lenovo Foundation is measured in individuals impacted; for example, during the FY20/21 GMoS, all volunteer projects (which included the Clean the World project) impacted over 38,000 individuals.

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?
No

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.

Direct operations

Coverage
Full

Risk assessment procedure
Water risks are assessed in an environmental risk assessment

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
Enterprise Risk Management

Tools and methods used
WRI Aqueduct
WWF Water Risk Filter
Other, please specify (Lenovo's ISO14001 certified Environmental Management System has a Significant Environmental Aspect review and our Enterprise Risk Management incorporates and adapts from elements of COSO Enterprise Risk Management Framework & ISO 31000 Standard.)

Comment
Lenovo assesses water and water-related risks of direct operations in three interrelated processes. One is a standalone water risk assessment utilizing WRI Aqueduct & WWF Water Risk Filter to look at current and future water risk indicators for our direct operations. Another is through Lenovo's ISO 14001 certified Environmental Management System (EMS) which includes an annual Significant Environmental Aspect assessment (SEA). The SEA is used to determine significant environmental aspects of our operations and products based on potential environmental and business risks of the aspect. The aspects identified through this process are used to inform the development of annual objectives and targets. Water is considered in the annual SEA and in FY20/21, similar to previous years, it was identified as a significant environmental aspect; therefore, an objective and target were established. Additionally, Lenovo has an Enterprise Risk Management (ERM) process that identifies corporate level risks. Lenovo's ERM incorporates and adapts from elements of COSO Enterprise Risk Management Framework & ISO 31000 Risk Management Standard. The risk categories evaluated within the ERM include two categories closely related to water risks - changes to climate and environmental regulation, and natural catastrophes. The ERM is informed by the SEA so risks identified as part of the SEA become risks considered by the ERM. A detailed description of the processes and outcomes is provided in W3.3d.

Supply chain

Coverage
Full

Risk assessment procedure
Water risks are assessed in an environmental risk assessment

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
Enterprise Risk Management

Tools and methods used
WRI Aqueduct
WWF Water Risk Filter
Other, please specify (Lenovo's ISO14001 certified Environmental Management System has a Significant Environmental Aspect review and our Enterprise Risk Management incorporates and adapts from elements of COSO Enterprise Risk Management Framework & ISO 31000 Standard.)

Comment
Lenovo assesses water and water-related risks of the supply chain through three interrelated processes. One is a standalone water risk assessment that utilizes WRI Aqueduct and WWF Water Risk Filter to look at current and future water risk indicators of the suppliers representing over 95% of Lenovo's procurement spend (Top Suppliers and additional suppliers). Another is through Lenovo's ISO 14001 certified Environmental Management System (EMS) which includes an annual Significant Environmental Aspect assessment (SEA). The SEA is a process for determining significant environmental aspects for Lenovo, including within the supply chain, based on potential environmental and business risks of the aspect. The aspects identified through this process are then used to inform the development of annual objectives and targets. Water is considered in the annual SEA and in FY20/21 it was identified as a significant environmental aspect; therefore, a water-related target was established for the supply chain. Additionally, Lenovo has an Enterprise Risk Management (ERM) process that identifies corporate level risks. The ERM covers supply chain risks. Lenovo's ERM incorporates and adapts from elements of COSO Enterprise Risk Management Framework & ISO 31000 Risk Management Standard. A more detailed description of the three processes and outcomes is provided in W3.3d.

Other stages of the value chain

Coverage
None

Risk assessment procedure
<Not Applicable>

Frequency of assessment
<Not Applicable>

How far into the future are risks considered?
<Not Applicable>

Type of tools and methods used
<Not Applicable>

Tools and methods used
<Not Applicable>

Comment
Because Lenovo's water use and thus water-related risk exposure is primarily located in our direct operations and supply chain, Lenovo's current procedures for identifying and assessing water-related risks focus on direct operations and the supply chain. Lenovo's procedures for identifying and assessing water-related risks has not been expanded to include any other parts of the value chain.

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	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. If water availability were to substantially decrease at a location, Lenovo may face higher operational costs, or have to transition to having employees work from home, or, in the worst case, have to cease/relocate certain operations. For these reasons, risks to water availability at the basin level are considered relevant and included in risk assessments. In FY20/21, Lenovo used WRI's Baseline Water Stress indicator as a gauge of water availability risk. 6 out of Lenovo's 14 manufacturing sites, 2 out of Lenovo's 14 R&D sites, and 13 out of Lenovo's 31 large offices sites were located in basins with high to extremely high risk for this category while another 2 of Lenovo manufacturing sites, 4 Lenovo R&D sites, and 6 large offices sites were located in basins with medium-high risk for this category.
Water quality at a basin/catchment level	Relevant, always included	In order for Lenovo to continue providing WASH services of adequate quality at all locations, Lenovo must receive adequate quality of water at each location. If water quality were to substantially decrease at a location, Lenovo may face higher operational costs, or have to transition to having employees work from home, or, in the worst case, have to cease/relocate certain operations. For these reasons, risks to water quality at the basin level are considered relevant and included in risk assessments. In FY20/21, Lenovo used WRI's "Aggregated Default Quality Risk Category" as an indicator of water quality risk. 6 out of Lenovo's 14 manufacturing sites, 2 out of Lenovo's 14 R&D sites, and 8 out of Lenovo's 31 large offices sites were located in basins with high to extremely high risk for this category while another 4 of Lenovo manufacturing sites, 4 Lenovo R&D sites, and 9 large offices sites were located in basins with medium-high risk for this category.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	Lenovo recognizes that extreme water stress can lead to local stakeholder conflicts. Stakeholder conflicts can affect water access, the regulatory stability around water policies and has associated reputational risks. For these reasons, stakeholder conflicts over water are considered relevant and included in risk assessments. In FY20/21, Lenovo used WRI's "Baseline Water Stress" as an indicator of conditions that could lead to stakeholder conflicts. Six out of Lenovo's 14 manufacturing sites, 2 out of Lenovo's 14 R&D sites, and 13 out of Lenovo's 31 large offices sites were located in basins with high to extremely high risk for this category. We also looked at WWF's Hydro-political issues indicator. Six out of Lenovo's 14 manufacturing sites, 3 out of Lenovo's 14 R&D sites, and 11 out of Lenovo's 31 large offices sites were located in basins with high to very high risk for this indicator. To date, Lenovo has not experienced any water-related stakeholder conflicts at any of its locations.
Implications of water on your key commodities/raw materials	Relevant, always included	While Lenovo has no significant wet processes, Lenovo recognizes the importance of adequate quantities of sufficient quality water to our supply chain partners, including those with significant wet processes such as the semiconductor industry. Given this, Lenovo considers the implications of water on our key commodities as relevant and includes this in our risk assessments. In FY20/21, we evaluated the majority of our OEMs and over 95% of suppliers by procurement spend for water risks with WRI Aqueduct and WWF's Water Risk Filter. WRI Aqueduct's Overall Water Risk Indicator with the semiconductor industry weighting showed there were 1 OEM location and 10 Tier 1 supplier locations with extremely high Overall Water Risk and there were 9 OEM locations and 68 Tier 1 supplier locations with high Overall Water Risk. In addition to assessing our suppliers for water risks, we also annually request our Top Suppliers to disclose information about their water use and programs via the Responsible Business Alliance's Self-Assessment Questionnaire or CDP.
Water-related regulatory frameworks	Relevant, always included	Local regulatory frameworks can dictate the availability, quality, and cost of water for Lenovo locations. Given this, Lenovo considers risks to stable regulatory frameworks as relevant and includes this in our risk assessments. In FY20/21, Lenovo used WWF's "Basin Regulatory Risk" as our primary indicator of regulatory risk. None of our manufacturing, R&D or large offices sites were located in basins with high or extremely high indicators for this risk category. We also looked at the other related indicators in WWF's tool. The only regulatory related indicator for which we had sites with high or very high risk was "Financing for Water Resource Development and Management" indicator. Our manufacturing facility in Monterrey, Mexico and large office in Mexico City, Mexico both rated high for this indicator.
Status of ecosystems and habitats	Relevant, always included	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. For these reasons, Lenovo considers risks to ecosystem and habitat health as relevant and includes this in our risk assessments. In FY20/21, Lenovo used WWF's "Ecosystem Services Status" as an indicator of current ecosystem risk levels. This aggregated indicator is based on datasets pertaining to river fragmentation, tree cover loss and projected impacts to freshwater biodiversity. 1 of Lenovo's 14 manufacturing sites, 1 of Lenovo's 14 R&D sites, and 4 of Lenovo's 31 large offices sites were located in basins with high to very high risk in this category. We also looked at the individual indicators that support this aggregated risk category which are WWF's Fragmentation of River Status, Catchment Ecosystem Services Degradation Level, and Projected Impacts Freshwater Biodiversity indicators.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	Most of Lenovo's water use is for WASH services and Lenovo is committed to providing adequate WASH services to all employees at all locations. 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. For these reasons, Lenovo considers risks to WASH services as relevant and includes this in our risk assessments. We used indicators such as "unimproved/no drinking water" risk and "unimproved/no sanitation" risk in WRI Aqueduct to evaluate what percentage of the populations surrounding our locations had no access to improved drinking water or sanitation facilities. In our own facilities, the provision of WASH services is managed by Lenovo's real estate teams. Provision of adequate WASH services to all our employees, contractors, and site guests at all locations is further ensured through Lenovo's Responsible Business Alliance membership. As a member we must adhere to their Code of Conduct which addresses the provision of WASH services. We also must undergo RBA audits which cover WASH services by evaluating bathrooms, canteens, and dormitories. If a finding related to WASH services was identified in an RBA audit, a corrective action plan would be established and put in place immediately.
Other contextual issues, please specify	Relevant, always included	Lenovo recognizes that climate change will increase the occurrence and global distribution of extreme weather events, including droughts/wildfires and flooding. These events pose risks to our employees, our customers, and our operations and can cause damage to our physical locations across the globe. For this reason, Lenovo considers water-related weather event risks as relevant and considers them in our risk assessment. In FY20/21, Lenovo used WRI's "Riverine Flood Risk Category", "Coastal Flood Risk Category", and "Drought Risk Category" as indicators of water-related weather risks. For Riverine Flood Risk, 4 out of Lenovo's 14 manufacturing sites, 3 out of Lenovo's 14 R&D sites, and 3 out of Lenovo's 31 large offices sites were located in basins with high to extremely high risk for this category. For Coastal Flood Risk, 1 out of Lenovo's 14 manufacturing sites, 2 out of Lenovo's 14 R&D sites, and 4 out of Lenovo's 31 large offices sites were located in basins with high to extremely high risk for this category. For Drought Risk, 6 out of Lenovo's 14 manufacturing sites, 3 out of Lenovo's 14 R&D sites, and 13 out of Lenovo's 31 large offices sites were located in basins with high to extremely high risk for this category. Because one of the primary manifestations of climate change will be changes to severe storm and drought patterns, we utilized WRI Aqueduct to look at changes to these risks under different climate change scenarios and timelines. We also looked at these risks as part of our supplier risk assessment.

W3.3c

(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Customers	Relevant, always included	Lenovo has a customer-centric culture recognizing our customers as vital to Lenovo's continued business success. 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. For this reason, Lenovo considers customers as relevant stakeholders and considers them in our risk assessment. This includes listening to and responding to customer requests and concerns, including any that pertain to Lenovo's water use. This year Lenovo's participation in CDP Water was requested by 6 customers (Alphabet, California DGS, Fujitsu, Imperial Brands, Nokia, and Walmart of Mexico and Central America). In addition to CDP Water, Lenovo participates in the Gartner Top 25 which includes CDP Water as a factor in their ranking and influences customer opinions. Lenovo also responds to EcoVadis by request of customers such as Michelin and others.
Employees	Relevant, always included	Lenovo requires a large work force to continue to manufacture, innovate, and grow. Lenovo is committed to providing all employees with WASH services in the workplace because we recognize this as a basic human right. This recognition is supported by being a signatory of the UN Global Compact and endorsement of the UN CEO Water Mandate. Furthermore, without such services employee satisfaction and productivity would be greatly affected. Because most of Lenovo's water use is for employee use and consumption, our employees' personal water conservation efforts are also important to our overall water resiliency. Some of our sites have done awareness campaigns to improve the individual water conservation practices of our employees. For these reasons, Lenovo considers employees as relevant stakeholders and considers them in our risk assessment. Because incoming water quantity and quality are important factors in Lenovo's ability to continue providing WASH services, Lenovo monitors water availability and quality risk indicators through WRI Aqueduct and WWF Water Risk Filter at our locations.
Investors	Relevant, always included	As investor focus on ESG has increased, Lenovo has experienced more requests regarding water security. Lenovo anticipates such requirements from investors regarding environmental disclosure and risk planning to continue to increase and thus investor interest in our water security to increase. For this reason, Lenovo considers investors as relevant stakeholders and considers them in our risk assessment. For example, through CDP, the Hang Seng Corporate Sustainability Index, and the FTSE4GOOD, Lenovo shares environmental and water related information with investors.
Local communities	Relevant, always included	Lenovo recognizes that healthy, thriving communities mean healthy, thriving employees and customers. Because of these connections, Lenovo strives to be a positive presence in the communities in which it operates and, therefore, considers local communities as relevant stakeholders and considers them in our risk assessment. For example, in our water risk assessment we consider indicators related to community health and well-being such as access to improved water and sanitation and ecosystem status. Another example is when the Lenovo Foundation, Lenovo's philanthropic arm, donates to relief efforts, including after water-related weather events, it prioritizes local communities associated with Lenovo's operations.
NGOs	Relevant, always included	Lenovo recognizes NGOs important role in educating organizations on water risks, putting positive pressure on organizations to improve water practices and mitigate impacts and risks, and bringing together many groups to collectively address cross-sectoral challenges associated with water risks. 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. One example is in FY13/14, Lenovo engaged with the Nature Conservancy to provide support for its Shanghai Watershed project. Another example is our continued participation in CDP Water as both a way to share our water practices with customers and to evaluate our own practices for areas for future improvement. In FY20/21, Lenovo endorsed the UN CEO Water Mandate to help further guide our progress in the area of water and sanitation and participated in the Alliance for Water Stewardship's ICT Sector Working Group. As Lenovo continues to expand our approach to water security, Lenovo recognizes that NGO facilitated collective action measures may be an important element of an effective approach.
Other water users at a basin/catchment level	Relevant, always included	Lenovo is not a substantial user of water, but Lenovo does recognize, since water is a finite and shared resource, the interconnectedness of all water users in a basin. The actions of other water users can affect Lenovo and the actions of Lenovo can affect other water users. For this reason, we consider other water users as relevant and consider them in risk assessments. The main way they are currently considered is through the use of water risk indicators within the WRI Aqueduct and WWF Water Risk Filter tools that consider how other users within the basin interact with water. For example, that Baseline Water Stress indicator is a function of total basin withdrawals from all users. Another example would be quality related indicators such as WRI Aqueduct's untreated connected wastewater and coastal eutrophication potential indicators which consider how runoff and wastewater from other users in the basin effect overall water quality at the local level.
Regulators	Relevant, always included	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. For an example, Lenovo maintains a Spill Prevention Control and Countermeasures Plan (SPCC) at their North Carolina headquarters per EPA regulations. In China, Lenovo will comply with the new discharge standard for water pollutants from the electronics industry and will make any changes necessary to ensure compliance as the standard goes into effect. Several of the water risk indicators from WWF Water Risk Filter that we include in our annual assessment pertain to regulatory risk and reflect the presence of laws, policies, infrastructure, and financing for water management.
River basin management authorities	Relevant, not included	River basin management authorities work to protect and preserve overall basin health and take actions that mitigate risks and work towards overall basin water security. Lenovo is not a substantial user of water within any one basin. However, since the actions of river basin management authorities are informed by basin water risks and can affect all basin water users, Lenovo considers river basin management authorities as relevant when such authorities exist in the basins in which we operate and we are establishing site specific goals and action plans. Our water risk assessment is not currently at the stage where such goals are being developed so to date, river basin management authorities have not been included. In the future, we anticipate setting site specific goals for high risk locations and at that time will investigate any local river basin management authorities. The goals of river basin management authorities will be considered as well as benefits from further collaboration with the river basin management authorities. We strive to be at a stage where we are developing site specific goals and action plans at our most risk exposed sites in three to five years.
Statutory special interest groups at a local level	Relevant, sometimes included	Where statutory special interest groups exist, they are usually in place to protect and preserve specific water resources, for example they may protect relatively pristine water resource from impacts of adjacent land use or protect a vital water resource for a community from further pollution. Because they are often developed to protect a resource important to the surrounding communities, Lenovo considers them relevant when they are present where we have operations. Furthermore, Lenovo takes compliance very seriously. Maintaining compliance to all applicable statutory and regulatory requirements is the basis of Lenovo's Environmental Management System (EMS). If at a local level any requirement to consult with a local statutory special interest group exists, Lenovo's EMS procedures record this along with other requirements, disseminate this information to the relevant employees at the site and ensure that all requirements are met. For example, our manufacturing facility in Pondicherry, India works with the Pondicherry Pollution Control Committee, a local statutory body that works to enforce policy as well as provide consultancy, advocacy, and dissemination of best practices and technology.
Suppliers	Relevant, always included	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. If Lenovo's suppliers are significantly impacted by water risks, then Lenovo is likely to also feel repercussions. Conversely, if Lenovo is affected by water risk, this could impact our purchasing patterns with suppliers. Given this, Lenovo considers our suppliers as relevant stakeholders and considers them in our risk assessments. Lenovo uses WRI Aqueduct and WWF Water Risk filters to perform a water risk assessment of the suppliers that represent over 95% of our procurement spend. Lenovo asks Top Suppliers to provide water use data, water use targets, and RBA or CDP Water responses.
Water utilities at a local level	Relevant, always included	Lenovo obtains the majority of its water from water utilities and returns the majority of its discharges to 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. Because of this linkage, Lenovo considers local water utilities as relevant stakeholders and considers them in our risk assessments. Because our water risk assessment looks at basin level risk indicators and most of our water is provided by local utilities (likely within the same basin), our water risk assessment is effectively an assessment of water risks to the local utilities providing our locations with water and wastewater collection, treatment, and discharge. Additionally, to comply with new GRI reporting guidance around water sources and wastewater treatment and destinations, Lenovo collected information on the sources, destinations, and treatment levels at local utilities for the first time in FY20/21, often through information published by the utilities or communication with the utilities.
Other stakeholder, please specify	Relevant, sometimes included	Lenovo worked with Duke University Master of Environmental Management students on water risk mapping projects during FY16/17 and FY19/20. Through this collaboration, Lenovo gained a better understanding of the current academic status of water risk mapping and aspects of water management. Lenovo recognizes that as climate change and water risks evolve and communities, governments, and industries adapt, new stakeholders may become relevant. Lenovo endeavors to stay aware of these changes and, when needed, include additional stakeholders in risk assessments and risk management strategies.

W3.3d

(W3.3d) 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.

Water and related risks are assessed in three interrelated processes. The results of each are reported to various leadership levels so decision makers have full awareness of risks facing Lenovo and can respond appropriately. The following is a summary of each process, how they relate, and how the outcomes have informed senior management's internal decision making.

Standalone Water Risk Assessment: Lenovo performed a specific water risk assessment annually for the past four years. Each year the process has improved. This year it was expanded to a majority of original equipment manufacturers (OEMs) and over 95% of suppliers by procurement spend. The tools used were WRI Aqueduct and WWF Water Risk Filter. The tools and approx. latitude and longitude of Lenovo's active manufacturing, R&D, and large office sites were used to determine the water risk indicators for Lenovo operations. Future projections (2030 and 2040) were also evaluated to understand how socio-economic and climate changes may influence the risks. The same process was followed for the majority of OEMs and over 95% of suppliers by procurement spend using best available location information. 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. An outcome of this standalone assessment in FY20/21 was a decision to link this standalone assessment to the EMS targets in FY21/22, a process that will give the results more visibility. Details of this assessment are covered in W3.3b&c.

EMS's SEA: As part of Lenovo's ISO 14001-certified EMS, an annual SEA is completed. The SEA considers risks to the business and environment of various aspects to determine Lenovo's significant environmental aspects. The SEA covers operations, products, and supply chain. For aspects identified as significant, an annual objective and target is developed. In FY20/21, water again rated as significant. In response, Lenovo kept an annual objective to minimize environmental impacts associated with water use and discharge from Lenovo operations and products and to monitor and minimize environmental impact in the supply chain. These objectives were supported by a target that applied to all manufacturing, R&D, and large offices to maintain global water withdrawal and discharge within +/- 5% of FY19/20 and a target to have 85% of procurement spend with suppliers with public water and waste goals. The SEA and resulting objectives and targets are ensure continual improvement in the environmental area. The SEA and resulting objectives and targets are presented to management so decision makers in each area can make informed business decisions that promote reduction of environmental impacts and risks and progress towards the set targets.

ERM: As part of Lenovo's ERM, at least annually Lenovo's major business areas are surveyed to evaluate risk categories in their area based on a formal risk management matrix. The ERM risk categories include two categories related to water -changes to climate and environmental regulation, and natural catastrophes - and also include supply chain risks. The risk evaluations are rolled up at the corporate level and reported to senior leadership and the Board's Audit Committee as part of an overall risk management report so that those with the most influence are well informed of risks, including any associated with water, when developing strategies and making business decisions.

How the assessments are related: The ERM is informed by the SEA. Risks identified as part of the SEA are fed into the ERM for consideration. In FY21/22, the standalone assessment will be connected to the larger EMS process by a specific EMS target; Lenovo has set an EMS target to complete a water use and risk assessment of operations and suppliers in FY21/22 which will help improve and formalize the current water risk assessment and give the results wider visibility. This is intended to raise the awareness of water risks and to assist the organization in moving from global targets toward context-specific targets in the future. As of FY20/21, the ERM process had not identified a water risk as having a substantive corporate level impact.

How outcomes inform decision making: The three processes assess risks to the business and report them up to senior leadership and the Audit Committee to ensure top risks are considered and properly managed in their 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. In addition to the response mentioned above to connect the standalone water risk assessment with the EMS, the following decisions were also informed by the understanding of water risk: adding a dedicated water management position to the Global Environmental Affairs team, adopting a Water Resiliency Policy, and endorsing the UN CEO Water Mandate.

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?

No

W4.1a

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

Lenovo defines substantive financial or strategic impact to the business through an Enterprise Risk Management (ERM) process. The ERM framework has an internal risk management matrix that includes a risk rating methodology. The process considers seven types of impacts – financial, image, market share, production, people, environment, and compliance. Each type of impact has associated indicators. There are four degrees of severity - low, moderate, high, and extreme – which are defined by certain thresholds in the associated indicators. The definition of a substantial financial or strategic impact would be any risk that was rated as high or extreme for any of the seven impact areas.

For financial impacts, some indicators used are revenue and profitability. Of the other six nonfinancial impact areas, environment is likely most applicable to water-related risks. For impacts to environment, an indicator used is scope and reversibility of incidents and threshold for substantive impact is any incident that is irreversible.

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

Many risk categories and subcategories 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, component price, and capacity of supply. 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. As of FY20/21, the ERM process had never identified a water risk as having a substantive corporate level impact.

The ERM process has found other risks to have a substantive corporate level impact, such as the Covid-19 pandemic. Because Covid-19 was identified as substantive, Lenovo developed specific responses to mitigate the risk. These responses included: establishing a Global Lenovo Epidemic Prevention and Control Committee (LEPCC), maintaining ongoing communications with employees and managers to ensure that they are receiving the most up-to-date information, and launching initiatives designed to promote employee physical and mental wellbeing during these challenging times.

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Lenovo acknowledges that access to sufficient amounts of good quality freshwater is important to our direct operations, but Lenovo does not currently consider impacts from water risks to our direct operations to be substantive at the corporate level. Lenovo's primary water use is for employee support. Lenovo's manufacturing footprint is geographically diverse. Lenovo knows from experience with tariffs and the Covid-19 pandemic that we are able to shift manufacturing in response to localized impacts at the facility level and therefore, are well set up to effectively respond to localized, water-related impacts without incurring substantive financial or strategic impacts at the corporate level. Lenovo's non-manufacturing locations are well positioned to quickly transition to working from home when necessary. This continues to be done on a large-scale across the Company in response to the Covid-19 pandemic and would provide a model to follow on local scales where necessary in response to any water-related issues at individual facilities, such as flooding or inability to provide adequate WASH services at a facility. Lenovo identifies water risks at the facility level through the use of WRI Aqueduct and WWF Water Risk Filter. Next year, Lenovo is more closely linking this with water accounting data in the hopes of better prioritizing responses to the non-substantive risks that do currently exist at individual facilities. Lenovo will continue to annually evaluate water risks and refine our risk assessment approach and will adjust our rating if water-related risks become substantive at the corporate level. Because of the way water is used within Lenovo (mainly for employee support) and Lenovo's ability to successfully switch manufacturing in response to localized risks in the past, at this time water risks within our direct operations are not considered to have a substantive impact at the corporate level.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Lenovo acknowledges sufficient amounts of good quality freshwater is vital to our supply chain but, because of high level of controls in place at Lenovo and our suppliers, we do not consider it a risk with substantive impact for the overall business at present. Lenovo is well prepared to respond to supply disruptions in general. Lenovo uses multiple suppliers to reduce disruptions and maintains a business continuity plan that covers supply disruptions, including to semiconductors. Lenovo requires disaster recovery plans at all our OEMs. Lenovo holds QBRs (Quarterly Business Review) with many suppliers at which delivery risks and supplier controls are discussed giving us greater insight into risks associated with these suppliers. Furthermore, Lenovo engages with suppliers on water. Lenovo requires water use data from our Top Suppliers and had a FY20/21 target to have 85% procurement spend with suppliers with a public water target (which was exceed by reaching 95% procurement spend). Most of Lenovo's top ten suppliers by procurement spend (9 of the 10) have shown through participation with CDP Water to be considering and responding the water risks within their operations (5 received As in 2020, 4 received Bs). By continuing current supplier engagement and exploring ways to increase engagement, Lenovo will be aware of the evolution of water-related impacts in the supply chain and can react by reassessing supply allocation as needed, something Lenovo has successfully navigated in the past when localized events have caused supply disruptions. In addition, next year we are introducing a third-party tool to our process to help identify suppliers with greater risks so we can better focus our engagements. Lenovo identifies local water risks to suppliers with WRI Aqueduct and WWF Water Risk Filter annually. Next year, Lenovo is adding water use/commodity to the process to better prioritize responses to the non-substantive risks that do exist. As a next step, we plan to share the results with impacted suppliers and work together with the suppliers to support water stewardship. Lenovo will continue to evaluate risks and refine our approach when feasible and will adjust our ranking if water-related risks become substantive at the corporate level. Because of the above controls and engagement in place, even though water is a required resource in our supply chain, water risks to our supply chain are not considered to pose a substantive impact at the corporate level.

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
Increased sales of existing products/services

Company-specific description & strategy to realize opportunity
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 increasing 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 continues to experience interest in and sales of our Neptune® offerings from customers looking for more performance with a smaller energy footprint. Our latest Neptune® installation will be at the Korea Meteorological Administration (KMA). This will be our largest yet and will bring total installed Neptune® installations to 70,000 nodes. In addition, the KMA installation will be the 14th Lenovo data center that is supporting weather research and forecasting - something that will be increasingly important as climate change disrupts typical weather patterns and causes increased extreme weather, including floods and droughts. For example, with the help of a new Lenovo High Performance Computing (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 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 beyond a 6 year timeframe.

Estimated timeframe for realization
More than 6 years

Magnitude of potential financial impact
Low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
316555000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact
Expected future demand for Lenovo Neptune® 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 a superior product for powerful, energy efficient super-computing. Furthermore, we anticipate an increasing need to solve difficult environmental challenges, such as climate change and extreme weather prediction and others, that require high-performance computing and for which many of Lenovo's data center products have already been utilized. By assuming that this will lead to a 5% increase in profit over the next 6 years, we have estimated that opportunity to be around US$ 316,555,000 (based on Lenovo's Infrastructure Services Group's FY20/21 revenue of US$ 6,331,100,000).

Type of opportunity
Markets

Primary water-related opportunity
Improved customer satisfaction

Company-specific description & strategy to realize opportunity
SITUATION: Lenovo's main business is selling products to commercial customers and consumers and Lenovo stresses a customer centric culture meaning most opportunities are identified through customer requests and feedback and customer surveys. Lenovo is constantly assessing feedback from our customers to help discover opportunities to improve customer satisfaction and retention. Customer increase in ESG-related topics has been increasing. TASK: In 2020, Lenovo's Personal Computer and Smart Devices (PCSD) Strategy recognized the increasing interest and expectations from customers in ESG areas and set out to develop the Company's first product-led ESG initiative. ACTION: The PCSD team polled Lenovo's geographic regions for the most common ESG-related feedback they received from customers and used the results to develop customer surveys to further assess and understand our customers' preferences and priorities on specific ESG topics. Using the results from the polling of geos and surveying of customers, the PCSD Strategy team then worked across the Company to develop five 2025 KPIs that related to our ThinkPad line of devices and addressed the five most important ESG topics of our customers. RESULT: The five resulting 2025 KPIs addressed the following five most common topics of concern for our customers according to survey results: packaging, energy conservation, recycled materials, circular economy, and social impact. Water was not a common theme in the customer feedback provided by the geos and therefore did not specifically make it into the ESG-specific customer survey. Although water was not included, five of the surveyed customers commented that plastic and packaging waste concerned them because of their presence in waterways when disposal is mismanaged. While water was not directly addressed in the resulting strategy, the KPIs do indirectly relate to water impacts. For example, increasing recycled materials and circular economy practices decreases the water impacts associated with use of virgin materials and improper waste disposal helping to address the concerns of the five customers mentioned above.

Estimated timeframe for realization
More than 6 years

Magnitude of potential financial impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
2720560000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact

Expected increase in sales due to customer satisfaction is hard to estimate but increase in sales can reasonably be expected since the entire approach to incorporating ESG into our PCSD strategy was built around customer preferences and expectations. Furthermore, we anticipate the percent customers making decisions around ESG related factors to increase in coming years. By assuming that this will lead to a 5% increase in profit over the next 6 years, we have estimated that opportunity to be around US$ 2,720,560,000 (based on Lenovo's Intelligent Device Group's FY20/21 revenue of US$ 54,411,212,000 which includes PCSD revenue).

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	This past year, Lenovo established 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. The scope of the Water Resiliency Policy is Lenovo's worldwide operations in recognition that, while the magnitude of our water dependency and impacts varies across our operations and supply chain, at the most basic level it must apply company-wide through 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. The 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 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
Board Chair	The Stock Exchange of Hong Kong Limited (HKEx) states that the Board has overall responsibility for Lenovo's ESG strategy and reporting. Water issues are required KPIs under HKEx's listing rules. As part of the Board's oversight of ESG risks and KPIs, the Chair of the Board has responsibility for Lenovo's water strategy and oversight of water-related issues. This past year the Board, led by the Chair of the Board, made the decision to approve Lenovo's ESG Report which includes a section on Lenovo's water management, progress on annual water targets, and data on Lenovo's water withdrawals and discharges. The Board also made the decision to approve the Annual Report which contained a section on sustainability, including waste and water.

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	ESG topics, which may include water-related issues, are scheduled as agenda items at least twice per year – once when the Board approves the Annual Report and again when the Board approves the ESG Report. Both of these reports include coverage of water related topics. Through these two scheduled report approvals, the Board monitors Lenovo's ESG implementation and performance and corporate responsibility strategy, both of which include water. In addition to these two scheduled agenda items, Lenovo's Chief Corporate Responsibility Officer (CRO) supported by Lenovo's ESG Executive Oversight Committee (EOC) can propose additional scheduled updates. In 2020, the topics of water risk management and water program enhancements were included as part of the Board's August 2020 ESG update. In addition, the Board has overall responsibility for Lenovo's risk management and internal controls systems. More specifically, the Audit Committee, a board level committee, is tasked with reviewing risk management policies, including the Company's ERM which during FY2020/21 considered two risk categories closely related to water - changes to climate and environmental regulation, and natural catastrophes – and also includes supply chain risks.

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
Both assessing and 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, reports to the Chief Legal Officer and has management responsibility for ESG and is accountable for water-related performance. Day-to-day water management occurs through Lenovo's EMS which is owned by the Director of Environmental, Sustainability and Compliance who reports to the CRO. The CRO receives frequent updates during biweekly 1:1 meetings with the Director. Based on the 1:1s and other discussions related to ESG, the CRO coordinates the ESG EOC agenda and chairs the ESG EOC. The CRO with support from numerous teams recommends critical ESG content for Board review. At a minimum, the CRO reports to the Board annually on water as part of the ESG Report approval process. The ESG Report includes all water-related requirements of GRI and the HKEx, such as a how Lenovo's manages water as a shared resource, water data (including totals 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 resiliency programs (including supply chain engagement).)	Lenovo's CRO, a role analogous to a CSO, has an annual key performance indicator (KPI) to "Drive progress in Lenovo's climate change mitigation programs (including emissions reductions targets and supporting projects) and water resiliency programs (including supply chain engagement)". The KPI was selected for the CRO because it reflects Lenovo's climate and water program maturity as of 2020. In 2020, Lenovo was establishing science based targets for climate and had just hired a role to focus on water so general program progress was an appropriate indicator. 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 2020, the establishment of science based emission reduction targets, adoption of a corporate water policy, and endorsement of the UN CEO Water Mandate 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.
Non-monetary reward	No one is entitled to these incentives	<Not Applicable>	

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?

No

W6.6

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

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

https://doc.irasia.com/listco/hk/lenovo/annual/2021/ar2021.pdf

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	11-15	Previously, because there are no wet processes in our manufacturing and Lenovo's water use is relatively minimal, water-related issues were considered but not seen as strategically relevant for the business and, therefore, were not explicitly incorporated into the long-term business objectives. At the end of the last reporting period, in response to increasing investor and customer expectations, Lenovo made two high-level decisions that are important steps in beginning to formulate water-related, long-term objectives. Lenovo established a corporate level 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. We recognize the importance of water-related issues throughout our value chain and strive to ensure we have good governance in place. This past year, we tried to set the right corporate tone and bring visibility to the topic for our customers and suppliers through the adoption of Lenovo's Water Resiliency Policy and UN CEO Water Mandate. We believe these are important initial steps in developing a long-term vision in this area.
Strategy for achieving long-term objectives	No, water-related issues were reviewed but not considered as strategically relevant/significant	11-15	Because water-related issues were only added to our long-term business objectives at the end of the reporting period, the strategy for achieving long-term objectives has not been updated to include water-related issues. Previously, because there are no wet processes in our manufacturing and Lenovo's water use is relatively minimal, water-related issues were not seen as strategically relevant for the business and were not explicitly incorporated into the long-term business objectives and, therefore, were not incorporated into the supporting strategy.
Financial planning	No, water-related issues were reviewed but not considered as strategically relevant/significant	11-15	Because water-related issues were only added to our long-term business objectives at the end of the reporting period, the financial planning for achieving long-term objectives has not been updated to include water-related issues. Previously, because there are no wet processes in our manufacturing and Lenovo's water use is relatively minimal, water-related issues were not seen as strategically relevant for the business and were not explicitly incorporated into the long-term business objectives and, therefore, were not incorporated into the associated 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)

100

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

-100

Water-related OPEX (+/- % change)

1.85

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

5

Please explain

Because some of our sites are leased spaces paying one utility bill (water, waste, plus electricity), Lenovo's accounting system tracks total utility spending and the corporate ESG team supplements this with site specific knowledge of water expenditures. Between FY20/21 and FY19/20, CAPEX increased due to two projects at our Pondicherry, India manufacturing site - US$18,500 for a sewage treatment plant and US$2,500 for a borewell and pump. Because in FY19/20 there was no water-related CAPEX, calculating % change is not possible; instead 100% was used to indicate an increase. Lenovo has no plans for water-related CAPEX in FY21/22 and, therefore, expects a forward trend of -100% (reflecting a return to a water-related CAPEX of US$0). Between FY20/21 and FY19/20, OPEX increased slightly; total utility spending increased 1.85% likely due to increased production at manufacturing sites. We expect OPEX to remaining relatively flat or slightly increase as workers return to the office.

W7.3

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

	Use of climate-related 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. Lenovo also assessed 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) Has your organization identified any water-related outcomes from your climate-related scenario analysis?

Yes

W7.3b

(W7.3b) What water-related outcomes were identified from the use of climate-related scenario analysis, and what was your organization's response?

	Climate-related scenarios and models applied	Description of possible water-related outcomes	Company response to possible water-related outcomes
Row 1	2DS IEA 450 RCP 2.6 Other, please specify (We use WRI Aqueduct which uses Representative Concentration Pathways (RCPs) and Shared Socioeconomic Pathways (SSPs) and WWF Water Risk Filter which uses the Inter-Sectoral Impact Model Intercomparison Project (ISIMIP) which also incorporates RCPs.)	Annually Lenovo assesses our manufacturing, R&D, and large office (>100 employees) sites with WRI Aqueduct and WWF Water Risk Filter. Both tools use climate and socioeconomic models to provide water indicators at the basin level. WRI Aqueduct uses Representative Concentration Pathways (RCPs) and Shared Socioeconomic Pathways (SSPs) to model future scenarios; the "optimistic scenario" is based on SSP2 RCP4.5 and the "pessimistic scenario" is based on SSP3 RCP8.5. WWF Water Risk Filter Tool uses the Inter-Sectoral Impact Model Intercomparison Project (ISIMIP) which also incorporates RCPs. Based on the predicted climate and socioeconomic changes, WRI Aqueduct reports basin level water risk indicators for years 2030 and 2040 and WWF Water Risk Filter reports basin level water risk indicators for year 2050. The results showed varying degrees of increased risk of water stress, flooding, and drought at certain Lenovo and supplier locations. The increase to these risks were often more extreme in the pessimistic scenarios. For example, according to the WRI's water stress indicator for 2030, 4 of our manufacturing sites would experience a 1.4X increase in water stress under the optimistic scenario but 5 would experience a 1.4x increase under a business as usual or pessimistic scenario. According to WWF's projected change in drought occurrence indicator, one of our manufacturing sites (Chengdu) is ranked as high.	Lenovo plans to continue to monitor future water risks annually using the same or similar approach in order to be aware of future water-related risks resulting from climate change and socioeconomic changes and to inform where to focus water-related investments the Company may make over time and as appropriate, including at the facilities where water stress and drought occurrence are likely to increase.

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 are exploring 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 may utilize the tool to prioritize facility-level actions and to explore risk-adjusted costs and returns of potential investments.

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, global 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 FY20/21, there were 15 global objectives (or goals) and 41 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 16 targets and 6 objectives (goals) 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. In 2020, Lenovo began a process to established company-wide five year ESG targets supported by business level targets. While the EMS objective and target process is focused on environmental goals only and usually on an annual horizon; these new ESG targets will include other elements of ESG beyond environmental performance and will have a longer timeframe. Once established, they will be monitored at the corporate level.

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

Supplier engagement

Level

Company-wide

Primary motivation

Reduced environmental impact

Description of target

Require public water and waste goals for at least 85% of Lenovo direct suppliers based on procurement spend.

Quantitative metric

Other, please specify (85% by spend with a public water and waste target)

Baseline year

2019

Start year

2019

Target year

2020

% of target achieved

100

Please explain

In the dropdown menus for this item, 2019 indicates FY19/20 and 2020 indicates FY20/21. This target reflects Lenovo's objective to monitor and minimize environmental impact in the Lenovo Supply Chain. To do this Lenovo requests environmental data from our Top Suppliers including whether they have established public water and waste goals and monitors the results as a percentage of total spend with suppliers. In FY20/21, we met the target with approximately 95 percent of procurement spend being with suppliers who had established public water and waste goals.

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 facilities and our suppliers.

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

Baseline year
2019

Start year
2019

Target year
2020

% of target achieved
100

Please explain
In the dropdown menus for this item, 2019 indicates FY19/20 and 2020 indicates FY20/21. 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 FY20/21, 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
Water withdrawals

Level
Company-wide

Primary motivation
Reduced environmental impact

Description of target
Total global water withdrawal will be within +/- 5% of the total global water withdraw volumes for FY19/20.

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

Baseline year
2019

Start year
2019

Target year
2020

% of target achieved
30

Please explain
In the dropdowns for this item, 2019 indicates FY19/20 and 2020 indicates FY20/21. The target reflects Lenovo's goal of maintaining operational control of water use. Lenovo monitors and tracks water withdrawals in our reporting boundary, has the data externally audited, and compares it to the previous year. Because our primary water use is WASH services and our workforce continues to grow, a target of maintaining water use volumes is appropriate for Lenovo at this time. The pandemic led to an increase in demand of our products (due to remote school and work). In response, our manufacturing sites operated with a greater number of employees and new Covid-19 precautions in place (such as more handwashing and sanitation) which led to greater water use. Our non-manufacturing sites saw a decrease in water use because many remained closed. Because manufacturing is responsible for about 70% of our water withdrawals, we consider the target to be 30% met.

Target reference number
Target 4

Category of target
Water discharge

Level
Company-wide

Primary motivation

Reduced environmental impact

Description of target
Total global water discharge will be +/- 5% of the total water discharge volumes for FY19/20.

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

Baseline year
2019

Start year
2019

Target year
2020

% of target achieved
30

Please explain
In the dropdowns for this item, 2019 indicates FY19/20 and 2020 indicates FY20/21. The target reflects Lenovo's goal of maintaining operational control of water use. Lenovo monitors and tracks water discharge in our reporting boundary, has the data externally audited, and compares it to the previous year. Because our primary water use is WASH services and our workforce continues to grow, a target of maintaining water use volumes is appropriate for Lenovo at this time. The pandemic led to an increase in demand of our products (due to remote school and work). In response, our manufacturing sites operated with a greater number of employees and new Covid-19 precautions in place (such as more handwashing and sanitation) which led to greater water use. Our non-manufacturing sites saw a decrease in water use because many remained closed. Because manufacturing is responsible for about 70% of our water discharge, we consider the target to be 30% met.

Target reference number
Target 5

Category of target
Product use-phase

Level
Business

Primary motivation
Climate change adaptation and mitigation strategiess

Description of target
All of Lenovo's business units had a FY20/21 target that new products must show improved energy efficiency relative to the previous generation of the products.

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

Baseline year
2019

Start year
2019

Target year
2020

% of target achieved
100

Please explain
In the dropdown menus for this item, 2019 indicates FY19/20 and 2020 indicates FY20/21. The baseline and start year for this target is not the most applicable metric. New generations of products are released on different schedules for different products. When a new product is designed the previous generation would be used as a reference to design a product with improved energy consumption optimization. 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. 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). In FY20/21, this target was met.

Target reference number
Target 6

Category of target
Impact of packaging material

Level
Business

Primary motivation
Reduced environmental impact

Description of target
Lenovo packaging business had a FY20/21 target to identify one new Lenovo product for which to implement use of 100% biodegradable/compostable packaging

Quantitative metric
% increase of biodegradable packaging material

Baseline year
2019

Start year
2019

Target year
2020

% of target achieved
100

Please explain
In the dropdown menus for this item, 2019 indicates FY19/20 and 2020 indicates FY20/21. Between 2020 and 2021 Lenovo's packaging team was to identify one new product for which to implement use of 100% biodegradable/compostable packaging. This goal was met by introducing bamboo fiber packaging for both the ThinkPad X12 and X13 tablets. In addition, a 100% compostable cushion is to be used on the ThinkBook Plus Gen 2. Achieving this target reduces our use of plastic packaging which when mismanaged can end up in the environment/waterbodies where it does not decompose.

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
2019

Start year
2019

Target year
2020

% of target achieved
73

Please explain
In the dropdown menus for this item, 2019 indicates FY19/20 and 2020 indicates FY20/21. Between 2019 and 2020 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 eight of the eleven applicable business units (73%). 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
2019

Start year
2019

Target year
2020

% of target achieved
100

Please explain
In the dropdown menus for this item, 2019 indicates FY19/20 and 2020 indicates FY20/21. Under this target, between 2020 and 2021 Lenovo's packaging team was to support the use of bulk packaging use in our Data Center Group (DCG). Increasing the use of bulk packaging decreases the packaging per unit. The team met this target by updating two bulk packaging designs and creating a new solution. 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 478 cubic meters of water consumption per month.

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

Baseline year
2019

Start year
2019

Target year
2020

% of target achieved
0

Please explain
In the dropdown menus for this item, 2019 indicates FY19/20 and 2020 indicates FY20/21. 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 FY20/21 to reduce water consumption by 5% compared to FY19/20.

Quantitative metric
% reduction in total water consumption

Baseline year
2019

Start year
2019

Target year
2020

% of target achieved
100

Please explain
In the dropdown menus for this item, 2019 indicates FY19/20 and 2020 indicates FY20/21. The site planned to achieve this target through improved rainwater collection 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 FY20/21 target to achieve a water intensity of 1.5 ton/person/month.

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

Baseline year
2019

Start year
2019

Target year
2020

% of target achieved

100

Please explain
In the dropdown menus for this item, 2019 indicates FY19/20 and 2020 indicates FY20/21. The site planned to achieve this target through improving the site's regular water related maintenance checks. This target was met.

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 FY20/21 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
2019

Start year
2019

Target year
2020

% of target achieved
0

Please explain
In the dropdown menus for this item, 2019 indicates FY19/20 and 2020 indicates FY20/21. The site planned to achieve this target through staff awareness. This target was not 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 FY20/21 target to achieve a water intensity of 1.5 ton/person/month.

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

Baseline year
2019

Start year
2019

Target year
2020

% of target achieved
100

Please explain
In the dropdown menus for this item, 2019 indicates FY19/20 and 2020 indicates FY20/21. 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 FY20/21 target to achieve a water intensity of 4 ton/person/month.

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

Baseline year
2019

Start year
2019

Target year
2020

% of target achieved
100

Please explain
In the dropdown menus for this item, 2019 indicates FY19/20 and 2020 indicates FY20/21. 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 consumption

Level
Site/facility

Primary motivation
Reduced environmental impact

Description of target
Lenovo's Taipei R&D facility set a FY20/21 target to achieve water consumption volume of +/-5% of the site's FY19/20 volume.

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

Baseline year
2019

Start year
2019

Target year
2020

% of target achieved
100

Please explain
In the dropdown menus for this item, 2019 indicates FY19/20 and 2020 indicates FY20/21. 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 consumption

Level
Site/facility

Primary motivation
Reduced environmental impact

Description of target
Lenovo's Yokohama R&D facility set a FY20/21 target to achieve water consumption volume of 200 cubic meters or less.

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

Baseline year
2019

Start year
2019

Target year
2020

% of target achieved
100

Please explain
In the dropdown menus for this item, 2019 indicates FY19/20 and 2020 indicates FY20/21. The site planned to achieve this target through maintenance and management. 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 use)

Level
Company-wide

Motivation
Reduced environmental impact

Description of goal
Lenovo has a goal to minimize environmental impacts associated with water use 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
2019

Start year
2019

End year
2020

Progress
In the dropdown menus for this item, 2019 indicates FY19/20 and 2020 indicates FY20/21. This objective rolls over from year to year but has been an annual objective for many years. Targets 3 and 4 in response to W8.1a supported this goal during FY20/21. The indicators that are used to track success are total volume water withdrawals and discharges. It is considered a success if these volumes are maintained within a threshold of +/-5% from year to year as the Company grows. In recent years, the Company has made annual progress by meeting the supporting targets but, in FY20/21, the supporting targets were not met due to the impacts of Covid-19; the Company experienced higher than usual growth at our manufacturing locations which also were using more water for sanitation in order to prevent the spread of Covid-19. Lenovo is evaluating how to improve the supporting targets so that they can be achieved while experiencing company growth and accounting for potential changes in sanitation requirements and human behavior in response to the Covid-19 pandemic. 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
2019

Start year
2019

End year
2020

Progress
In the dropdown menus for this item, 2019 indicates FY19/20 and 2020 indicates FY20/21. In FY20/21, three targets were set to support this goal, including target 5 from the response to W8.1a. The indicator used to track success for the targets that support this goal is energy efficiency. The threshold for success is improved energy efficiency from the previous product generation. In FY20/21, Lenovo's progress towards this objective can be seen in our achievement of the supporting targets. 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
2019

Start year
2019

End year
2020

Progress
In the dropdown menus for this item, 2019 indicates FY19/20 and 2020 indicates FY20/21. In FY20/21, two targets were set to support this goal – 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 FY20/21, 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 renewable energy, 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
2019

Start year
2019

End year
2020

Progress
In the dropdown menus for this item, 2019 indicates FY19/20 and 2020 indicates FY20/21. In FY20/21, Lenovo set five 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 FY20/21, Lenovo's progress towards this goal can been seen in the partial achievement of 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
Other, please specify (Reduce environmental impact of packaging)

Level
Company-wide

Motivation
Reduced environmental impact

Description of goal
Lenovo has a goal to increase the eco-friendly content of packaging. This goal is important to Lenovo because it supports Lenovo's ambition to minimize the impacts of our packaging 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. Environmentally friendly packaging is an increasingly important topic for our customers. In addition to minimizing the amount of packaging used, Lenovo is also striving to convert the remaining necessary packaging to more eco-friendly materials. Lenovo is implementing this goal across the Company through annual packaging initiatives and targets.

Baseline year
2019

Start year
2019

End year
2020

Progress
In the dropdown menus for this item, 2019 indicates FY19/20 and 2020 indicates FY20/21. In FY20/21, six targets were set to support this goal, including Target 6 from response to W8.1a. Lenovo is implementing this long-term objective by requiring the packaging team to meet recycled content targets and to identify one project a year for which biodegradable packaging can be used. The main indicators used to track success for this goal is percent of packaging content and number of products. The threshold for success depends on the target but is usually meeting a certain percent of eco-friendly content in the packaging across a certain number of products, such as 60% or greater recycled content in all new phone products or one new product with 100% biodegradable packaging. In FY20/21, Lenovo's progress towards this goal can be seen in the achievement of the supporting targets such as the introduction of biodegradable packaging for the ThinkPad X12 and X13 tablets. This goal can have positive water-related impacts downstream; if more packaging is biodegradable, it will be less persistent when improperly disposed of and released to the environment.

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, such as public water targets. 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 it mitigates climate change and the water related impacts of climate change.

Baseline year
2019

Start year
2019

End year
2020

Progress
In the dropdown menus for this item, 2019 indicates FY19/20 and 2020 indicates FY20/21. In FY20/21, four targets were set to support this goal, including Target 1 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. The thresholds for success include achieving 85% percent of suppliers by procurement spend who have public water targets and a 25% reduction in GHG emissions per mission US$ procurement spend from FY18/19 to FY29/30. This goal is related to water since one of the supporting targets (Target 1 in our responses to 8.1a) in FY20/21 was to achieve at least 85% spend with suppliers with public water targets. Lenovo's progress towards this target is seen by continuing to monitor environmental metrics of our suppliers and achieving the targets set to support this goal.

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 FY20/21, 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 six 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

SW. Supply chain module

SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	60742000000

SW0.2

(SW0.2) Do you have an ISIN for your organization that you are willing to share with CDP?

Yes

SW0.2a

(SW0.2a) Please share your ISIN in the table below.

	ISIN country code	ISIN numeric identifier (including single check digit)
Row 1	HK	0992009065

SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

No facilities were reported in W5.1

SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	Yes, for all facilities	Lenovo has addresses and approximate latitude and longitude coordinates for all facilities in our reporting boundary. This includes all manufacturing, research and development, and large offices sites mentioned throughout our CDP responses for which geolocation data is being provided under SW1.2a.

SW1.2a

(SW1.2a) Please provide all available geolocation data for your facilities.

Identifier	Latitude	Longitude	Comment
Wuhan	30.45395	114.4501	Manufacturing
Hefei	31.78	117.21	Manufacturing
Beijing Data Center	40.05	116.27	Large Office
Shenzhen MFG	22.5053	114.0516	Manufacturing
Beijing R&D	40.05	116.27	R&D
Morrisville R&D	35.86	-78.83	R&D
Shenzhen R&D	22.54	113.95	R&D
Huiyang	22.79	114.47	Manufacturing
NEC Gunma	36.39	139.06	Manufacturing
Xiamen R&D	24.53492	118.149	R&D
Shanghai Zhangjiang	31.20268	121.5855	R&D
Monterrey	25.78783	-100.166	Manufacturing
Chengdu	30.68	104.06	Manufacturing
Beijing Call Center	39.92	116.71	Large Office
Tokyo HQ	35.7009	139.7697	Large Office
Chicago	41.89	-87.64	R&D
NEC Yonezawa	37.92	140.11	Manufacturing
Morrisville - Large Office	35.86	-78.83	Large Office
Jaguariuna	-22.7248	-47.0108	Large Office
Medion	51.46	7.06	R&D
Indaiatuba	-23.0789	-47.1679	Manufacturing
Pondicherry	11.87	79.79	Manufacturing
Taipei	25.05744	121.6147	R&D
Chengdu Software Park	30.5391	104.0565	Large Office
Whitsett	36.05	-79.59	Manufacturing
Dalian - Finance	38.89	121.54	Large Office
Bucharest	44.48	26.1	Large Office
Santa Clara	37.38	-121.98	R&D
Chengdu Office	30.6329	104.0759	Large Office
Bangalore Ferns	12.98	77.69397	Large Office
Nanjing Software Park	32.04	118.78	R&D
Dalian	38.8996	121.5737	Large Office
Markham	43.82	-79.35	Large Office
Paris/Rueil-Malmaison	48.89	2.17	Large Office
Mexico City	19.38	-99.26	Large Office
Sao Paulo	-23.51	-46.71	Large Office
Sao Paulo MM	-23.59	-46.69	Large Office
Guangzhou	23.13	113.26	Large Office
Stuttgart	48.74	9.11	Large Office
Moscow	55.69	37.54	Large Office
Kuala Lumpur	3.14	101.62	Large Office
Yokohama	35.46	139.63	R&D
Singapore	1.35	103.86	Large Office
FCCL Kanagawa Headquarters	35.59	139.63	R&D
FCCL Kanagawa R&D	35.58	139.64	R&D
Bangalore - Motorola	12.97862	77.65864	Large Office
Basingstoke	51.29	-1.07	Large Office
Bratislava	48.14	17.13	Large Office
Buenos Aires	-34.5468	-58.45	Large Office
Chatswood	-33.7961	151.1785	Large Office
Dubai	25.1	55.18	Large Office
Glasgow	55.87	-4.37	Large Office
Hong Kong	22.28	114.21	Large Office
Omori	35.59	139.74	Large Office
Beijing (BJFC)	39.97267	116.63	Manufacturing
Chennai	12.89665	79.90986	Manufacturing
Shanghai (SHFC)	31.23711	121.6603	Manufacturing
San Jose	37.37683	-121.92	R&D

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

No

SW3.1

(SW3.1) Provide any available water intensity values for your organization's products or services.

Product name

ThinkCentre X1

Water intensity value

6.247

Numerator: Water aspect

Water consumed

Denominator

the production and use of one unit of the ThinkCentre X1

Comment

Lenovo's Desktop Development team partnered with RDC Environment (a subsidiary of Intertek) to utilize the Instant LCA™ Electronics Tool which follows the principles and requirements of ISO14040 & 14044. The tool is based on a full LCA model encompassing all life cycle stages from extraction of raw materials to product end-of-life and includes the manufacturing of the components, assembly, and transportation of electronics. Lenovo conducted a pilot of the tool to develop a product water footprint for our flagship All-in-One product the ThinkCentre X1. The result of the project showed that production and use of one unit of the ThinkCentre X1 is associated with the consumption of approx. 6.247 cubic meters of water (+/-0.9046). The exercise also shed light on the most significant impacts to water consumption during the lifecycle which are estimated to be related to the components of the mainboard production, the display production, the assembly phase, and the use phase of the product.

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

Please confirm below

I have read and accept the applicable Terms