

Product Carbon Neutrality Report

For Fiscal Year 2023/24

2023 December

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1. Introduction

This Report aims to provide information on the carbon neutrality of the Lenovo Products advertised as carbon neutral (hereinafter referred to as the "Products") in Fiscal Year 2023/24¹.

The Report will be updated annually², in accordance with French Décret n° 2022-539 of 13 April 2022³ on carbon compensation and carbon neutrality claims in advertisements.

Lenovo declared to achieve carbon neutrality for the estimated sales volume for the Products. The Products' carbon neutrality was certified.

Table 1. Carbon Neutral Products and Specification

Carbon Neutral Products in Fiscal Year 2022/23				
Yoga Book 9 13IRU8				
with accessories of Yoga Book 9 Bluetooth KB, the folio stand, the digital pen				
and the 65W adapter included				
Carbon neutrality certification was issued by TÜV Rheinland Greater China in				
accordance with PAS 2060:2014 Specification for the Demonstration of Carbon				
Neutrality.				
Product Specifications	https://psref.lenovo.com/Product/Yoga/Yoga Book			
Reference	<u>9_13IRU8</u>			
Carbon Neutral Products in Fiscal Year 2023/24				

¹ Fiscal Year 2023/24, i.e., April 1, 2023 – March 31, 2024

² Due to third-party review and translation reasons, the Report may be updated after the new product certified, Lenovo promises to release as soon as possible.

³ <u>Décret n° 2022-539 du 13 avril 2022 relatif à la compensation carbone et aux allégations de neutralité</u> carbone dans la publicité - Légifrance (legifrance.gouv.fr)

Legion	9	16IRX9 ⁴
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with accessories of 330W adapter and 140W adapter (only for specific countries and regions) included

Carbon neutrality certification was issued by TÜV Rheinland Greater China in accordance with PAS 2060:2014 *Specification for the Demonstration of*

Carbon Neutrality.

Products Specifications	Coming soon		
Reference			
Yoga Pro 9 16lMH9⁵	14:56 Wanding day y		
with accessories of 170W (for DIS configuration) adapter and 100W adapte			
(for UMA configuration) included			
Carbon neutrality certification was issued by TÜV Rheinland Greater China in			
accordance with PAS 2060:2014 Specification for the Demonstration of			
Carbon Neutrality.			
Products Specifications	Coming soon		
Reference			

⁴ This product involves three models for different sales channels: Legion Y9000K IRX9 for PRC; Lenovo Legion 9 16IRX9 D1 for India; Legion 9 16IRX9 for the rest of world (the same below).

⁵ This product involves two models for different sales channels: YOGA Pro 16s IMH9 for PRC; Yoga Pro 9 16IMH9 for the rest of world (the same below).

ThinkBook 13x G4 IMH				
with accessories of Lenovo Magic Bay Light and 65W adapter included				
Carbon neutrality certifica	tion was issued by British Standards Institution (BSI)			
in accordance with PAS 2	060:2014 Specification for the Demonstration of			
Carbon Neutrality.				
Products Specifications	Coming soon			
Reference				
Yoga 9 2-in-1 14IMH9 ⁶				
with accessories of sleeve, the digital pen and 65W adapter included				
Carbon neutrality certification was issued by TÜV Rheinland Greater China in				
accordance with PAS 2060:2014 Specification for the Demonstration of				
Carbon Neutrality.				
Products Specifications	Coming soon			
Reference				

⁶ This product involves two models for different sales channels: Yoga 9 2-in-1 14IMH9 1 for India; Yoga 9 2-in-1 14IMH9 for the rest of world (the same below)

Yoga Book 9 13IMU9 ⁷			
with accessories of Yoga Book 9 Bluetooth KB, the folio stand, the digital pen,			
the mouse and the 65W adapter included			
Carbon neutrality certification was issued by TÜV Rheinland Greater China in			
accordance with PAS 2060:2014 Specification for the Demonstration of			
Carbon Neutrality.			
Product Specifications	Coming soon		
Reference			

2. Product Carbon Footprint

The product carbon footprint (PCF) calculation of the Products is conducted

by using SimaPro and Ecoinvent Database, following IPCC 100-year

Greenhouse Gas Emissions Assessment Method (IPCC 2021 GWP 100a), in

accordance with ISO 14067:2018 Greenhouse Gases - Carbon Footprint of

Products – Requirements and Guidelines for Quantification.

 Table 2. PCF Balance Sheet of the Products

Products Carbon Footprint	Unit: kg CO₂e/pcs		
Yoga Book 9 13IRU8			
Product Carbon Footprint before carbon credits	193.11		
Carbon credit	193.11		
Total Product Carbon Footprint after carbon credits	0		

⁷ This product involves two models for different sales channels: Yoga Book 9 13IMU9 1 for India; Yoga Book 9 13IMU9 for the rest of world (the same below)

Legion 9 16IRX9				
Product Carbon Footprint before carbon credits	467.47			
Carbon credit	467.47			
Total Product Carbon Footprint after carbon credits	0			
Yoga Pro 9 16IMH9				
Product Carbon Footprint before carbon credits	222.34			
Carbon credit	222.34			
Total Product Carbon Footprint after carbon credits	0			
ThinkBook 13x G4 IMH				
Product Carbon Footprint before carbon credits	172.40			
Carbon credit	172.40			
Total Product Carbon Footprint after carbon credits	0			
Yoga 9 2-in-1 14IMH9				
Product Carbon Footprint before carbon credits	169.15			
Carbon credit	169.15			
Total Product Carbon Footprint after carbon credits	0			
Yoga Book 9 13IMU9				
Product Carbon Footprint before carbon credits	204.54			
Carbon credit	204.54			
Total Product Carbon Footprint after carbon credits	0			

Detailed information of the PCF calculation and carbon reduction methods is provided in Annex 1 and Annex 2.

3. Carbon Reduction

Lenovo recognizes that human activities are contributing to climate change and concurs with the findings of current climate science as described in the latest assessment report from the Intergovernmental Panel on Climate Change (IPCC). Lenovo also recognizes that if left unchecked, current trends in climate change present serious economic and societal risks and agrees that specific actions are needed to stabilize atmospheric Greenhouse Gas (GHG) levels and hold global average temperatures to acceptable increases. Lenovo is working both internally and externally to help minimize and mitigate climate risks, and the commitment has been demonstrated by (detailed information can be found in Lenovo Annual Environmental, Social and Governance (ESG) Report):

- Implementing a corporate Climate and Energy Policy
- Executing a long-term comprehensive Climate Change Strategy
- Setting corporate-wide objectives and target which support the above Policy and Strategy⁸

Detailed information of Lenovo's carbon reduction path is provided in Annex 2.

4. Compensation of Residual Emissions

Lenovo has developed a stringent criterion to select carbon compensation programs for residual emission of the Products after carbon footprint reduction by environmentally conscious design.

Detailed information of the carbon compensation programs is provided in Annex 3.

⁸ 3.0 Environment, <u>2022/23 Environmental, Social and Governance Report</u>

Annex 1 Product Carbon Footprint Evaluation

This Annex provides detailed information on the scope, functional unit, boundary, emission data and the methodological measures of the Products' PCF.

Lenovo used life cycle assessment (LCA) methodology to perform the Products' PCF calculation.

1.1 Scope

The Products were commercialized as SKUs (stock keeping unit) based on variation in the part configurations. The variation might result in difference in the PCF of different SKUs.

To ensure that Lenovo has fully achieved carbon neutrality for the Products, conservative approaches have been taken for PCF calculation.

1.2 Functional Unit

The PCF method relies on a "functional unit" (FU) for GHG emissions quantification. This Report defines the functional unit as the Products operating for 4 years.

1.3 System Boundaries

The system boundary considered in the PCF calculation was from cradle to grave, and the lifecycle stages included:

- Raw Material
- Manufacturing
- Distribution
- Use
- End of life

1.4 Cut-off Criteria

All inputs and outputs to a process have been included in the calculation for which data is available. The cut-off criteria were set that emission sources estimated to constitute less than 1% of the total PCF might be cut-off, and the total cut-offs constitute less than 5% of the total PCF.

1.5 Use and End-of-life phases and Associated Process

The Use phase assumed that the Products were used for 4 years by users from different regions. The user region assumption was from sales prediction. The Product energy consumption was tested in accordance with *ENERGY STAR Program Requirements for Computers Version 8.0.* The data of End-of-life phase was in accordance with *WEEE Directive 2012/19/EU* and *IEC TR 62635*, which included re-use, recycling, incineration and disposal.

1.6 Electricity Consumption Data

The electricity, tap water, natural gas and heat consumption through the lifecycle were considered, and Ecoinvent database was selected for calculation according to region, voltage level and gas pressure.

1.7 Geographical Scope

The Products (including subparts) were manufactured and assembled in Asia, distributed and used globally. Country-level or region-level emission factors were selected according to the locations where emissions occurred. When the factors were not available for a specific region or there was no specific location of emission sources, the global averages were selected.

1.8 PCF Result

The PCF of the Products is shown in the following table.

Table 3. PCF of the Products⁹

Products	PCF (Unit: kg CO₂e/pcs)
Yoga Book 9 13IRU8	193.11
Legion 9 16IRX9	467.47
Yoga Pro 9 16IMH9	222.34
ThinkBook 13x G4 IMH	172.40
Yoga 9 2-in-1 14IMH9	169.15
Yoga Book 9 13IMU9	204.54

1.9 Verification

All the data sources, calculation modelling, background databases and the PCF of the Products have been verified by the certification authority of carbon neutrality.

 $^{^{\}scriptscriptstyle 9}\,$ The calculation was based on LCA methodology.

Annex 2 Carbon Reduction Path

In 2020, Lenovo established science-based emissions reduction targets, which were validated by the Science Based Targets initiative (SBTi). Its Scope 1 and 2 emissions reduction targets are consistent with limiting warming to 1.5°C, and its Scope 3 emissions reduction targets meet ambitious criteria according to the SBTi's methodology, which means they are in line with current best practices.

In 2023, Lenovo announced SBTi validated target to reach net-zero GHG emission by 2050. Lenovo's net-zero target is to achieve a 90-percentage reduction across Scope 1, 2 and 3 emissions, and was the first PC and smartphone maker and one of the first 139 companies in the world to establish a net-zero target validated by SBTi¹⁰.

These targets have a base year of Fiscal Year¹¹ (FY) 2018/19, near-term target year of FY 2029/30, and net-zero target year of FY 2049/50. The following table details the Company's Science-Based Targets, road maps for their achievement, and progress against the targets in FY 2022/23^{12,13}. Table 4. Lenovo Emissions Reduction Targets and Road Map^{7,8}

Lenovo Emissions	Road Map	FY 2029/30
Reduction Near-Term		Target
Targets		
Reduce absolute Scope 1 +	Hierarchical	- 50%
Scope 2 GHG emissions	combination of energy	
(related to Lenovo's	efficiency, on-site	
operations) by 50%	renewable energy	
	generation, and	

¹⁰ https://sciencebasedtargets.org/companies-taking-action#dashboard

¹¹ Fiscal year i.e., April 1 – March 31.

¹² <u>https://www.lenovo.com/content/dam/lenovo/site-design/esg-document-library/global/corp-policies/ghg/Lenovo_Climate-Transition-Plan.pdf</u>

¹³ 3.0 Environment, <u>2022/23 Environmental, Social and Governance Report</u>

	1		
		renewable energy	
		commodities	
Reduce Scope 3 GHG	•	Reduce product	- 35%
emissions (value chain) from		emissions through	
use of sold products -35% on		energy efficiency	
average for comparable		improvements,	
products		engaging customers to	
		use more renewable	
		energy	
Reduce Scope 3 GHG	•	Inclusion of climate	- 66.5%
emissions (supply chain) from		change requirements in	
procured goods and services		Supplier Code of	
66.5% per million US\$ gross		Conduct	
profit	•	Supplier climate data	
		collected annually from	
		subset of suppliers	
	•	Climate change KPIs	
		included in supplier	
		ESG scorecards	
		(evaluation process)	
	•	Expand supplier	
		program to greater	
		number of suppliers/	
		data capabilities and	
		SBTi level of	
		commitment	
Reduce Scope 3 GHG	•	Modal shift to lower	- 25%
emissions from global logistics		carbon modes of	
		transport	
	1		

operations by 25% per tonne- km of transported product	 Optimization of transport planning Increase of vehicle utilization Improvement of vehicle fuel efficiency 	
Lenovo Emissions	Road Map	FY 2049/50
Reduction Long-Term		Target
Targets		
Reduce all GHG emissions by	Above concepts	- 90%
90% - absolute reduction of	continue drive energy	
Scope 1, 2 and 3 emissions.	efficiency at Lenovo	
Neutralize remaining 10% of	sites, for products,	
emissions through carbon	expand supplier	
capture, reforestation, or other	program in commitment	

The following table shows current Lenovo's GHG emission data in FY

2022/23, compared to the baseline year FY 2018/19.

GHG Emissions (metric tons CO ₂ e)	FY2018/19	FY2022/23
Scope 1+2 (market-	32,060	25,843
based)		
Scope 3	20,432,492	18,741,480

Besides, Lenovo's corporate-wide environmental standards and specifications require its product designers to consider environmentally conscious design practices. By encouraging recycling, minimizing resource consumption and improving product energy efficiency, Lenovo aims to facilitate the carbon footprint reduction in its products.

The following environmentally conscious design has been introduced to the Products for carbon reduction.

Design Description
100% Recycled Aluminum on A Cover
90% PCC Recycled Plastic used in 65W
Adapter Case
• 30% PCC Recycled Plastic used in Speaker
Woofer Enclosure
90% PCC Recycled Plastic used in Battery
Pack
FSC-certificated Paper used in Box,
Cushion, and Manual
ENERGY STAR® 8.0
90% Recycled Magnesium Aluminum alloy
on C cover and D cover
30% PCC Recycled Plastic used in 330W
and 140W Adapter Case
30% PCC Recycled Plastic used in Battery
Pack
FSC-certificated Paper used in Box,
Cushion, and Manual
• 50% Recycled Aluminum alloy on D cover

Table 6. Environmentally Conscious Design in the Products

	-	
	30% PCC Recycled Plastic used in 170W	
	Adapter Case and 90% PCC Recycled	
	Plastic used in 100W Adapter Case	
	30% PCC Recycled Plastic used in Battery	
	Pack	
	• 30% PCC Recycled Plastic used in Speaker	
	Enclosures	
	50% PCC Recycled Plastic used in	
	Keyboard Keycap	
Packaging	Plastic-Free package with 100% FSC-	
	certificated Paper used in Box and Manual	
Energy Efficiency	ENERGY STAR® 8.0	
	Energy measurement is 42% less than	
	ENERGY STAR requirement	
ThinkBook 13x G4 IMH		
Material	• 50% Recycled Aluminum alloy on D cover in	
	Luna Grey models	
	90% PCC Recycled Plastic used in 65W	
	Adapter Case	
	30% PCC Recycled Plastic used in Speaker	
	Enclosures	
	50% PCC Recycled Plastic used in	
	Keyboard Keycap	
Packaging	Plastic-Free package with 100% FSC-	
	certificated Paper used in Carton Box,	
	Cushion and Manual	
Energy Efficiency	ENERGY STAR® 8.0	
	Energy measurement is 52% less than	
	ENERGY STAR requirement	

Yoga 9 2-in-1 14IMH9	
Material	50% Recycled Aluminum alloy on D cover
	90% PCC Recycled Plastic used in Adapter
	Case
	30% PCC Recycled Plastic used in Battery
	Pack
	• 30% PCC Recycled Plastic used in Speaker
	Enclosures
	50% PCC Recycled Plastic used in
	Keyboard Keycap
Packaging	Plastic-Free package with 100% FSC-
	certificated Paper used in Box, Cushion and
	Manual
Energy Efficiency	ENERGY STAR® 8.0
	Energy measurement is 46% less than
	ENERGY STAR measurement
Yoga Book 9 13IMU9	
Material	100% Recycled Aluminum on A cover
	90% PCC Recycled Plastic used in 65W
	Adapter Case
	90% PCC Recycled Plastic used in Battery
	Pack
	30% PCC Recycled Plastic used in Woofer
	Speaker Enclosures
	65% PCC Recycled Plastic in select parts of
	the Mouse
Packaging	Plastic-Free package with 100% FSC-
	certificated Paper used in Box, Cushion, and
	Manual

Energy Efficiency	ENERGY STAR® 8.0	
	•	Energy measurement is 56% less than
		ENERGY STAR requirement

Annex 3 Carbon Compensation of Residual Emissions

Lenovo has developed internal *Guidance for Carbon Credits Purchases*, including following aspects to ensure the professionalism of suppliers and the integrity and effectiveness of carbon compensation programs:

- General requirements as Lenovo supplier
- Carbon credit trading experiences
- Mature and mainstream crediting mechanisms
- Traceability and transparency of carbon credit projects
- High-quality and industry-recognized project types
- Carbon credit retirement documents

The following table shows the source of carbon credits used in the Products.

Crediting	Project Type	Offset Type	Location	Cost	Year of
Mechanisms				(€/ tCO2)	Retirement
CCER ¹⁵		Avoided Emission	China	-10	2022
CUER	Hydropower CM-001-V01 China	China	<10	2022	
VCC16	Wind Dower	Avoided Emission	China	-10	2022
VCS ¹⁶	Wind Power	ACM0002	China	<10	2023
CDM17	Wind Dowor	Avoided Emission	China	<10	2023
CDM ¹⁷	Wind Power	ACM0002	Crima		

Table 7. Carbon Credit Fillect	Table 7.	Carbon	Credit Project ¹⁴
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¹⁴ Carbon credit sellers: Lianshengzhida (Hainan) Supply Chain Management Co., LTD; Climate Bridge (Shanghai) Ltd.; and Profit Carbon Environmental Energy Technology (Shanghai) Co., Ltd.

¹⁵ CCER: Chinese Certified Emission Reduction

¹⁶ VCS: Verified Carbon Standard

¹⁷ CDM: Clean Development Mechanism

GS ¹⁸	Wind Power	Avoided Emission ACM0002	China	<10	2023
GS	Biogas	Avoided Emission	China	<10	2023
	Electricity	ACM0010	China		

Lenovo has offset the residual carbon emissions of the Products using carbon credits mentioned above based on the PCF values, and the carbon compensation quantity and the retirement ID has been verified by the certification authority of carbon neutrality.

¹⁸ GS: Gold Standard

Glossary

Carbon neutrality: Referring to PAS 2060:2014 *Specification for the Demonstration of Carbon Neutrality*, is the state of being carbon neutral, i.e., condition in which during a specified period there has been no net increase in the global emission of greenhouse gases to the atmosphere as a result of the greenhouse gas emissions associated with the subject during the same period.

Product carbon footprint (PCF): i.e., carbon footprint of a product, referring to ISO 14067:2018 *Greenhouse Gases – Carbon Footprint of Products – Requirements and Guidelines for Quantification*, sum of GHG emissions and GHG removals in a product system.

Scope 1 GHG emission: direct emissions from operations that are owned or controlled by Lenovo.

Scope 2 GHG emission: indirect emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by Lenovo.

Scope 3 GHG emission: indirect emissions (not included in Scope 2) from Lenovo's upstream and downstream value chain.

Reference

- 1. PAS 2060:2014 Specification for the Demonstration of Carbon Neutrality.
- ISO 14067:2018 Greenhouse Gases Carbon Footprint of Products Requirements and Guidelines for Quantification
- ISO 14040:2006 Environmental management Life cycle assessment Principles and framework
- 4. ISO 14044:2006 Environmental management Life cycle assessment Requirements and guidelines
- 5. Lenovo 2022/23 Environmental, Social and Governance Report