



**Smarter
technology
for all**



STOCK CODE 992

Green Bond Post Issuance Report 2022

Lenovo Group Limited

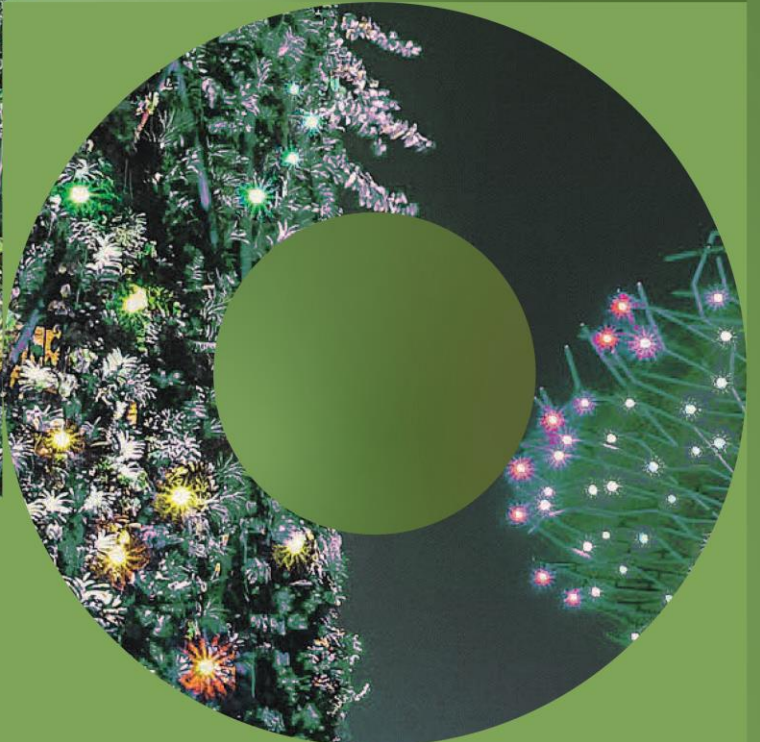
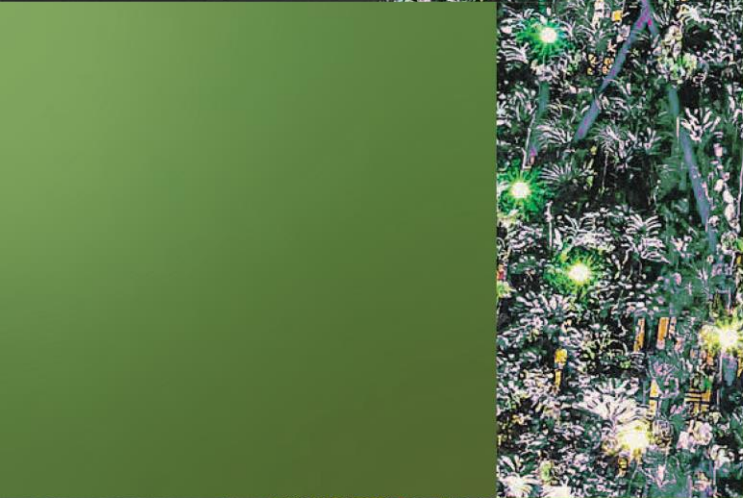
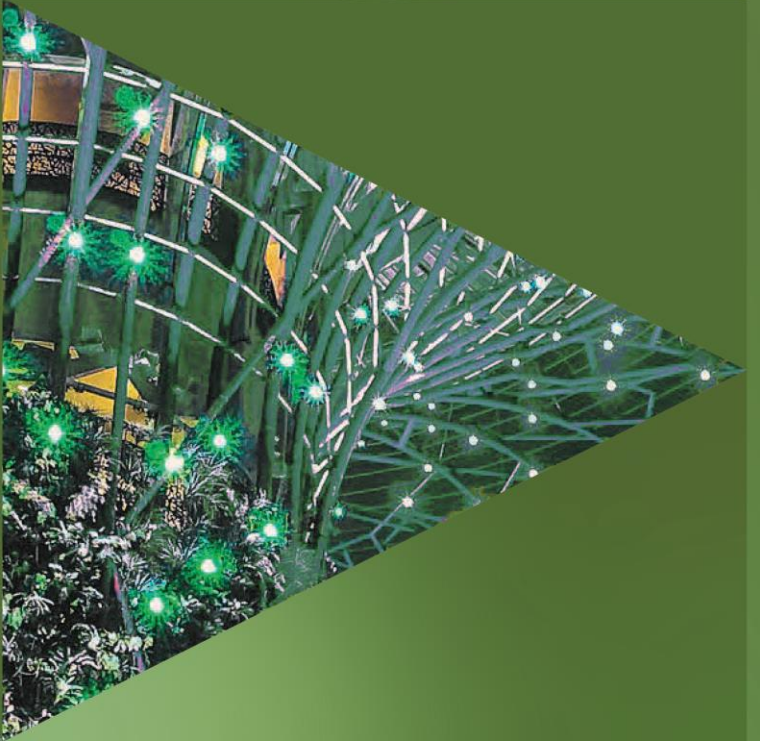
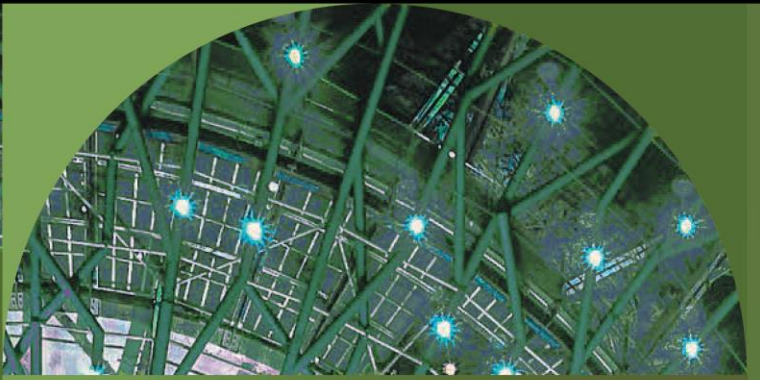


Table of Contents


2	Lenovo's Sustainable Development Overview
5	Lenovo's Green Finance Framework and Green Bond Issuance
6	Allocation Reporting
8	Impact Reporting
9	Case Highlight
11	Appendix. Sustainability Review

Lenovo's Sustainable Development Overview

Lenovo Group (“Lenovo” or the “Company”) is focused on a bold vision to deliver smarter technology for all and is developing world-changing technologies that power and empower millions of customers every day and together create a more


inclusive, trustworthy, and sustainable digital society for everyone, everywhere. Lenovo regards sustainable development as a priority in its business operations.


Environmental




- Reducing carbon emissions
- Sustainable product design
- Sustainable packaging


Emissions
Energy
Product Packaging and Materials
Waste/Recycling
Water


6 CLEAN WATER AND SANITATION


7 AFFORDABLE AND CLEAN ENERGY



12 RESPONSIBLE CONSUMPTION AND PRODUCTION


13 CLIMATE ACTION


14 LIFE BELOW WATER



17 PARTNERSHIPS FOR THE GOALS



Social





- Inclusive product design
- Philanthropy & community engagement
- Fostering an inclusive workplace


Community/Philanthropy
Diversity and Inclusion
Human Rights
Labor Practices
Health and Safety

1 NO POVERTY



3 GOOD HEALTH AND WELL-BEING


4 QUALITY EDUCATION


5 GENDER EQUALITY



10 REDUCED INEQUALITIES



Governance




- Leading with integrity
- Global company

Ethics/Integrity
Data Privacy and Security
Product Quality
Regulatory/Compliance
Innovation

8 DECENT WORK AND ECONOMIC GROWTH


9 INDUSTRY INNOVATION AND INFRASTRUCTURE


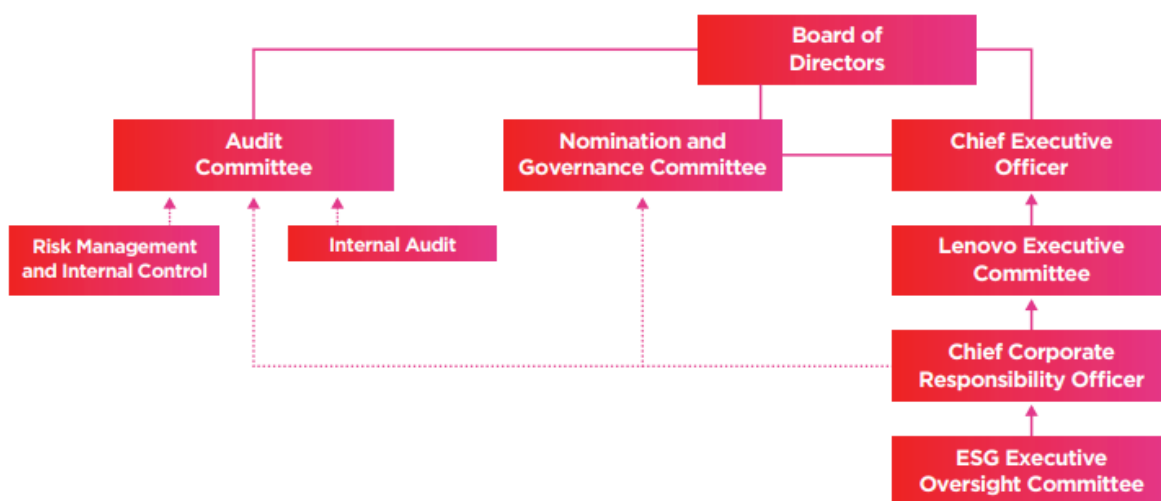
16 PEACE, JUSTICE AND STRONG INSTITUTIONS


The Company has developed a robust ESG management system and strategy, and actively promotes sustainable development initiatives.

To allow accountability and transparency at the highest levels of the organization, the Company has

established a robust ESG governance structure comprised of senior management of Lenovo, ensuring the Board has the highest level of oversight for ESG programs.

Lenovo’s ESG Governance Structure and Board Oversight



Lenovo has continued its role as a signatory supporter to the United Nations Global Compact (“UNGC”), a globally recognized platform that provides a blueprint for businesses that want to achieve a more sustainable future for all. As a business participant in the UNGC, the Company strives to demonstrate continuous improvements as it aligns operations and practices with the ten principles of the UNGC. The principles promote a value system that supports the fundamental responsibilities in the areas of human rights, labor, environment, and anti-corruption. The initiatives aligned with the UNGC and combined with Lenovo’s wide array of other commitments toward the environment and society, contribute to the United Nations Sustainable Development Goals.



Recognizing the potential risks of climate change, Lenovo is fully committed to carbon footprint reduction in its operations. To this end, the Company has set a vision of achieving net-zero by 2050 and has signed the Science Based Targets

initiative Commitment Letter in March 2022 pledging to set net-zero targets including a long-term science-based target by aligning with 1.5°C and net-zero through the Business Ambition for 1.5°C campaign.



Lenovo fosters energy efficiency and renewable energy. For example, from an innovation perspective, the Neptune liquid cooling technology, combined with the High-Performance Computing cluster, helps data center customers become more energy efficient. Meanwhile, the Company has continued to expand the renewable energy installation. The total in-operation renewable energy capacity in the worldwide locations has currently reached approximately 17MW as of FY 2021/22, with more in the plan.

For example, since 2012, the Company has been using bamboo fiber in packaging, a renewable, bio-based and lightweight material.

Furthermore, Lenovo has been promoting resource preservation and supporting a circular economy by increasing the use of recycled and recyclable materials in packaging, increasing the use of bio-based materials, reducing the size of packaging, and expanding the use of bulk and reusable packaging solutions.

To build a more diverse, equitable and inclusive workplace, Lenovo has set the target to increase global female executive representation to 27% and executives from historically underrepresented ethnic and racial groups in the US to 35% by FY 2025/26. The Company is committed to the United Nation's Women's Empowerment Principles to further promote gender equality in the organization, marketplace and communities. Meanwhile, Lenovo's Product Diversity Office works with inclusive design experts and will review 75% of Lenovo products by 2025 to ensure they work for everyone, regardless of physical attributes or abilities.

The Company believes technology connects people, enables productivity, and creates possibilities. Therefore, it must be inclusive and accessible to all, especially those most in need of it. In light of this, Lenovo has continued to respond to waves of the COVID-19 outbreaks globally. In addition, Lenovo supports science, technology, engineering, and math (STEM) education to drive positive change. The Company has a goal of

committing a minimum of 0.5% of its pretax income to global social investment programs and initiatives.

For more details and the latest information about sustainability at Lenovo, please view the Company's annual Environmental, Social and Governance Report and the Company's website ([Link](#)).

Lenovo's Green Finance Framework and Green Bond Issuance

Lenovo strives to integrating sustainability elements into the financing mechanism. In light of this, the Company established its Green Finance Framework (the "Framework") ([Link](#)) in July 2022 to set out the governance and processes under which the Company intends to issue Green bonds and loans. The Framework was established with core pillars in alignment with the Green Bond Principles 2021 by the International Capital Market Association ("ICMA"), and the Green Loan Principles 2021 by the Loan Market Association ("LMA"), the Asia Pacific Loan Market Association ("APLMA"), and the Loan Syndications and Trading Association ("LSTA"). The Framework has obtained a Second

Party Opinion from Sustainalytics ([Link](#)).

The net proceeds raised under the Framework will be used to finance or refinance, in whole or in part, expenditure on eligible green projects that are related to energy efficiency, renewable energy, green buildings, circular economy adapted products, production and processes, and clean transportation. Fostering investment in eligible green projects, the Framework supports the transition to a low-carbon and more resource efficient business operation, thereby echoing Lenovo's sustainable development strategies and the commitment to decarbonisation.

As of end of October 2022, Lenovo has issued the following green financing instrument:

Type	Year Issued	Issuer	Format	ISIN Number	Currency	Principal Amount	Coupon	Maturity Date
Green Bond	2022	Lenovo Group Limited	Reg S/144A	USY5257YAM94/ US526250AE54	USD	625,000,000	6.536%	27 July, 2032

Allocation Reporting

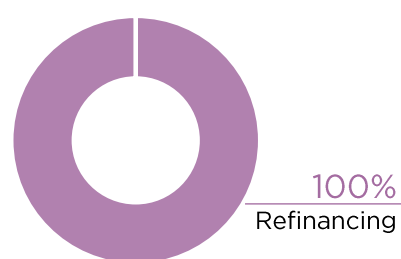
As of the end of October 2022, 100% of the proceeds (USD 625 million) from the Green bond issued has been fully allocated to eligible Green projects in accordance with the Framework.

Split of Allocated and Unallocated Proceeds



The USD 625 million equivalent proceeds have been 100% allocated.

Split of Financing & Refinancing for Allocated Proceeds





The Green bond proceeds are allocated to projects refinancing.

Eligible Project Categories ¹	Location	Amount (USD Million)	Percentage
Renewable Energy		8.1	1.3%
Solar Energy Project	US	8.1	1.3%
Green Buildings		616.9	98.7%
Beijing Campus	China	384.6	61.5%
Shenzhen New Headquarter	China	232.3	37.2%
<i>Total</i>		<i>625</i>	<i>100%</i>



¹ The projects listed represent green projects to which green bond proceeds have been allocated. Lenovo has also planned and undertaken other green projects such as solar energy projects in Mexico and Brazil, as well as Power Purchase Agreements in Hungary and in China. For more details on Lenovo's sustainable development, please refer to the Company's annual ESG Report and website ([Link](#)).

Eligible Project Categories

<p>Split by category</p>	<div style="display: flex; justify-content: space-between;"> 1.3% Renewable Energy 98.7% Green Buildings </div>  <p>1.3% of the proceeds are allocated to the solar energy project under the Renewable Energy category and 98.7% of the proceeds are allocated to the Green Buildings category.</p>
<p>Split by location</p>	<div style="display: flex; justify-content: space-between;"> 98.7% China 1.3% US </div>  <p>1.3% of the proceeds are allocated to the project located in US and 98.7% of proceeds are allocated to projects located in China.</p>

Impact Reporting

Lenovo has estimated the impacts of the projects and summarized as follows:

Eligible Project Categories	Projects	Impacts
Renewable Energy 	Solar Energy Project	<ul style="list-style-type: none"> • 3,241 MWh of solar energy generated annually^{2 3} • 920.7 MT CO₂e of GHG avoided annually⁴
Green Buildings 	Green Buildings Project	<ul style="list-style-type: none"> • The Lenovo Beijing Campus obtained the LEED Gold for its Campus A (LEED for New Construction) and Campus B (New Construction and Major Renovations) respectively. • The Lenovo new Shenzhen Headquarter obtained LEED Gold (LEED Core and Shell Development). • 4,390,332 square feet of green buildings covered for the Beijing Campus and Shenzhen Headquarter⁵.

² Lenovo collects the renewable energy production data in a software application on bi-annual base.

³ Footnote – Correction (March 2026) The Green-Bond post-issuance report published in 2022 contained a typographical error in the reported solar-energy generation from the eligible projects. The correct cumulative generation is **3,241 MWh, not 3.24 MWh**. Consequently, the environmental benefit associated with the bond was previously under-reported. All subsequent impact calculations have been updated to reflect the corrected value.

⁴ The emissions avoided by the renewable energy produced are calculated as per the US Environmental Protection Agency Emissions & Generation Resource Integrated Database (eGRID).

⁵ As the Shenzhen Headquarter is a joint venture project, the floor area only includes the Lenovo part.

Case Highlight



Location

Zhongguancun Software Park, Beijing

Green Building Certification

LEED Gold Certification

Description

Located in the Zhongguancun Software Park, where a cluster of Chinese tech giants are located and altogether form the “Silicon Valley” of China, the campus can accommodate more than 10,000 of global technology workers. For construction, the Company employed only materials that are low in harmful substances, and it gave preference to materials from natural sources.

The core virtue of the design is openness, fostering accessible public amenity spaces for the community. Featuring modern technology and sustainable design, the campus provides an environment with multiple collaboration and meeting spaces with flexible, advanced lighting technology and many other amenities for Lenovo staff and partners, aiming to inspire collaboration, foster relationships, and enhance teamwork. The new campus also includes publicly accessible lifestyle amenities and living facilities, such as a rock-climbing wall, coffee shop, bookstore, restaurant, brand showroom, convenient laundry room, gym, child care center and other living facilities.

Highlight of Green Features

The campus incorporates various green features to promote sustainability, such as:

Energy Efficiency

- Design allowing daylight to reach building interiors
- Automated window systems enabling passive ventilation
- Smart overhead lights with the Infrared sensors sense

Renewable Energy

- Solar panels on top of the building to provide energy
- Geothermal heat pumps supporting the centralised heating system

Water Conservation and Management

- Rainwater collection and storm water retention
- Permeable pavement
- Graywater recycling

Appendix. Sustainalytics Review

Lenovo Group Limited

Type of Engagement: Annual Review

Date: December 07, 2022

Engagement Team:

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Introduction

In July 2022, Lenovo Group Limited (“Lenovo”) developed the Lenovo Group Limited Green Finance Framework (the “Framework”) ¹ aimed at financing and refinancing projects related to i) Energy Efficiency, ii) Renewable Energy, iii) Green Buildings, iv) Circular Economy Adapted Products, Production and Processes, and v) Clean Transportation and subsequently issued a green bond of USD 625 million. In November 2022, Lenovo engaged Sustainalytics to review the projects funded with proceeds from the 2022 green bond and provide an assessment as to whether the projects met the Use of Proceeds criteria and the reporting commitments outlined in the Framework. Sustainalytics provided a second-party opinion² on the Framework in July 2022.

Evaluation Criteria

Sustainalytics evaluated the projects and assets funded with proceeds from the 2022 green bond based on whether the projects and programmes:

1. Met the use of proceeds and eligibility criteria outlined in the Lenovo Group Limited Green Finance Framework; and
2. Reported on at least one of the Key Performance Indicators (KPIs) for each Use of Proceeds category outlined in the Lenovo Group Limited Green Finance Framework.

Table 1: Use of Proceeds Category, Eligibility Criteria and Associated KPIs

Use of Proceeds Category	Eligibility Criteria	Key performance indicators (KPIs)
Renewable Energy	Investments related to the construction, operation, and procurement (long-term, project-tied power purchase agreements) of renewable energy sources: <ul style="list-style-type: none"> ▪ On-site or off-site solar energy projects ▪ Offshore and onshore wind energy ▪ Biofuels and biogas projects³ 	<ul style="list-style-type: none"> ▪ Annual renewable energy generation (MWh or GJ) ▪ Annual GHG emissions reduced/avoided (metric tonnes of CO₂ equivalent)
Green Buildings	Investments related to the construction, renovation, and retrofitting of new or existing buildings/facilities that have received at least one of the following third-party green building certifications: <ul style="list-style-type: none"> ▪ China Green Building Evaluation Label – 2 stars or above ▪ BEAM Plus – gold or above ▪ U.S. Leadership in Energy and Environmental Design (LEED) – gold or above 	<ul style="list-style-type: none"> ▪ Number of green buildings constructed/renovated ▪ Area of green buildings built (square feet or square meters)

¹ The Lenovo Group Limited Green Finance Framework is available on Lenovo’s website at: <https://investor.lenovo.com/en/sustainability/green-finance-framework.pdf>

² Sustainalytics Second-party Opinion is available at Lenovo’s website at: <https://investor.lenovo.com/en/sustainability/second-party-opinion.pdf>

³ Lenovo commits to limit financing biofuels and biogas projects to those with a life cycle GHG emissions intensity below 100 gCO₂e/kWh. In addition, Lenovo will ensure that non-waste feedstocks are sustainably sourced using credible third-party certifications (i.e. Roundtable for Sustainable Biomaterials, ISCC EU/PLUS, 2BSvs, Round Table on Responsible Soy, BONSUCRO, FSC, PEFC), subject to exclusion of peat, palm oil, non-certified oil and energy crops. In addition, waste feedstocks projects will be limited to those using forestry and agricultural residues as feedstock, subject to exclusion of waste from non RSB- or RSPO-certified palm oil operations.

Issuing Entity’s Responsibility

Lenovo is responsible for providing accurate information and documentation relating to the details of the funded projects, including description of projects, amounts allocated and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of use of proceeds from Lenovo’s Green bond. The work undertaken as part of this engagement included collection of documentation from Lenovo and review of said documentation to assess conformance with the Lenovo Group Limited Green Finance Framework.

Sustainalytics relied on the information and the facts presented by Lenovo. Sustainalytics is not responsible nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by Lenovo.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

Conclusion

Based on the limited assurance procedures conducted,⁴ nothing has come to Sustainalytics’ attention that causes us to believe that, in all material respects, the reviewed projects do not conform with the use of proceeds and reporting criteria outlined in the Lenovo Group Limited Green Finance Framework. Lenovo has disclosed to Sustainalytics that the proceeds from the green bond were fully allocated as of October 2022.

Detailed Findings

Table 2: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded with proceeds from the 2022 green bond to determine if projects aligned with the use of proceeds criteria outlined in the Lenovo Group Limited Green Finance Framework and above in Table 1.	All projects reviewed complied with the use of proceeds criteria.	None
Reporting Criteria	Verification of the projects funded with proceeds from the 2022 green bond to determine if the impact of projects was reported in line with the KPIs outlined in the Lenovo Group Limited Green Finance Framework and above in Table 1.	All projects reviewed reported on at least one KPI per use of proceeds category.	None

⁴ Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the funded projects, including description of projects, estimated and realized costs of projects, and project impact, as provided by the Issuer, which is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Appendices

Appendix 1: Allocation Reporting by Eligibility Criteria

As of October 2022, Lenovo has allocated 100% of the net proceeds as follows: i) USD 8.1 million (1.3% of the proceeds) in the renewable energy category, and ii) USD 616.9 million (98.7% of the proceeds) in the green buildings category. The table below provides a detailed breakdown of the allocation of net proceeds.

Use of Proceeds Category	Name of Project	Type of Project	Property Location	Net Bond Proceeds Allocation (USD million)	Percentage of total Net Bond Proceeds (%)
Renewable Energy	North Carolina, USA	Solar Power	United States of America	8.1	1.3%
Green Building	Beijing Campus	Commercial development	China	384.6	61.5%
	Shenzhen New Headquarter	Commercial development	China	232.3	37.2%
Total Proceeds Allocated (USD)				625	100%
Total Proceeds Raised (USD)				625	-

Appendix 2: Impact Reporting

Use of Proceeds Category	Name of Project	Impact reported
Renewable Energy	North Carolina, USA	<ul style="list-style-type: none"> Solar energy generated annually:⁵ 3.24 MWh Annual GHG emissions avoided:⁶ 920 MT CO₂e
Green Building	Beijing Campus A	<ul style="list-style-type: none"> Green building certification: LEED - Gold Area of newly constructed green building: 1,239,332 sq ft.
	Beijing Campus B	<ul style="list-style-type: none"> Green building certification: LEED - Gold Area of newly constructed or renovated green building: 1,308,508 sq ft.
	Lenovo Shenzhen Houhai Project Tower 1	<ul style="list-style-type: none"> Green building certification: LEED - Gold Area of newly constructed green building: 863,265 sq ft.⁷
	Lenovo Shenzhen Houhai Project Tower 2	<ul style="list-style-type: none"> Green building certification: LEED - Gold Area of newly constructed green building: 538,195 sq ft.⁸

⁵ Lenovo collects the renewable energy production data in a software application on bi-annual base.

⁶ The emissions avoided by the renewable energy produced are calculated as per the US Environmental Protection Agency Emissions & Generation Resource Integrated Database (eGRID).

⁷ As the Shenzhen Headquarter is a joint venture project, the floor area only includes the Lenovo part.

⁸ Ibid

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For more information, visit www.sustainalytics.com

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