

## Lenovo Anti-Slavery and Human Trafficking Statement

August 2023

This statement confirms the steps Lenovo has taken during Fiscal Year (FY) 2022/23 to meet the requirements of **Section 3 of the California Transparency in Supply Chains Act of 2010, the United Kingdom (UK) Modern Slavery Act (MSA) 2015, Chapter 30, Part 6, Provision 54 and the Australia Modern Slavery Act 2018**. This statement is prepared in accordance with the UN Guiding Principles on Business and Human Rights. In this document, Lenovo confirms the steps taken to identify, prevent, mitigate and account for the risk of slavery and human trafficking in its business and its supply chain and actions that may be taken to remediate any known adverse impacts. This statement covers the activities of Lenovo and Motorola Mobility.

For the purposes of Part 2 of the Australian Modern Slavery Act 2018, this Statement is made on behalf of Lenovo (Australia & New Zealand) PTY Limited (ABN 70 112 394 411), Lenovo Global Technology (Australia & New Zealand) PTY LTD (ABN 90 614 012 985), and Motorola Mobility Australia PTY. LTD. (ABN 86 139 208 361).

For the purposes of Chapter 30, Part 6, Provision 54 of the U.K. Modern Slavery Act 2015, this statement is made on behalf of Lenovo Global Technology UK Limited (10219781), Lenovo Technology (United Kingdom) Limited (04912819), Motorola Mobility UK Ltd. (06969556), TTPCom Limited (03475732), TTP Communications Limited (03962172), Motorola Mobility Holdings UK Limited (10696969), Lenovo Connect (United Kingdom) Co. Limited (10626988), and Channel Solutions and Services Ltd. (11786337).

In the process of developing this statement we consulted the relevant companies we own or control listed above.

### Organization and Structure

Lenovo is a global technology company with around 77,000 employees worldwide, operating in 180 markets around the world. Segments by business group comprise Intelligent Devices Group (“IDG”), Infrastructure Solutions Group (“ISG”) and Solutions and Services Group (“SSG”).

Lenovo’s business groups are supported by corporate level functions, including global supply chain and environmental, social, and governance (ESG) teams. Further information

about Lenovo, its management, investor relations, and corporate ESG commitments can be found at <https://www.lenovo.com>.

## **Corporate Policies**

Lenovo is committed to ethical corporate citizenship and promoting strong ESG performance in its activities. Lenovo demonstrates these commitments through transparent and responsible actions driven by its values. These values respect and are informed by those of its stakeholders, including the communities with which we interact. Lenovo expects all its employees, as well as contractors and consultants who perform work on Lenovo's behalf, to report immediately any suspected violations of laws, regulations, the Lenovo Code of Conduct, or Lenovo policies. Lenovo strives to attain the highest level of ethical integrity and to this end conducts worldwide internal audits that independently validate controls and investigate abuses. Its activities are guided by the corporate policies and programs noted below.

### Code of Conduct

Lenovo's Code of Conduct includes requirements for its employees to act in an ethical manner, including expectations for reporting unlawful or inappropriate conduct, respecting and protecting intellectual property and treating each other with dignity and respect.

### Focus on Employee Welfare

Providing a safe and healthy working environment is core to Lenovo's operating principles. Lenovo equips employees with products and equipment that are safe for use. Lenovo also focuses on implementing and improving processes and controls for preventing work-related accidents, injuries and illnesses. Lenovo's Corporate Policy #3 - Responsibility for Employee Health and Safety focuses on creating and maintaining a workplace that provides for the health and safety of all employees and reinforces the importance it places on this at every location in which Lenovo does business. Lenovo's Corporate Policy #17 - Workplace Violence emphasizes that all employees, contractors, and guests are expected to refrain from violence, harassment, intimidation, or coercion.

### Commitment to Diversity and Non-Discrimination

Lenovo's Code of Conduct and the Corporate Policy #2 - Commitment to Diversity and Nondiscrimination provide for a work environment free of discrimination and harassment based on race, color, gender, religion, age, nationality, social or ethnic origin, sexual orientation, gender identity or expression, marital status, pregnancy, disability or veteran status.

## Sustainability Policy

Lenovo's Sustainability Policy states its commitment to ethical corporate citizenship and promoting ESG topics in all of its activities. Every organization must support this policy, and each manager, employee and any contractor performing work on behalf of Lenovo bears a personal responsibility to abide by the following principles:

- Provide a safe, healthy, and enriching working environment for its employees
- Be a fair and responsible member of the communities in which Lenovo operates
- Work with its supply chain to ensure that Lenovo's values and expectations are upheld
- Extend the benefits of Lenovo experience, products, and successes to the communities in which Lenovo operates and contributes to their development
- As employees and as a company, be ethical and responsible citizens

## Human Rights Policy

Lenovo's Corporate Policy #22 - Human Rights states its support for universal human rights, including those identified in the United Nations Declaration on Human Rights, and commits to extending these rights to its employees and others directly or indirectly employed in its supply chain. This policy applies to Lenovo's worldwide operations and those of its supply chain. Every Lenovo organization must support this policy including the following commitments:

- Conduct business in accordance with the United Nations Declaration of Human Rights and the principles of the United Nations Global Compact, and extend those requirements to all suppliers doing business with Lenovo
- Perform due diligence across the value chain to identify risks and avoid complicity in human rights violations
- Provide access to grievance mechanisms, investigate allegations, and escalate known cases of human rights abuse to senior leadership
- Integrate training and accountability for respecting human rights across the business and the supply chain
- Engage internal and external stakeholders to address common challenges and advance human rights practices through continuous improvement
- Operate legally and ethically in each country where Lenovo does business

All corporate strategies, practices, and guidelines, as well as supplier requirements, must support this commitment to human rights. Concerns about possible human rights violations must be reported to Lenovo management, who shall take prompt corrective action.

## Supplier Code of Conduct

Lenovo expects its suppliers to meet the highest standards of responsible sourcing. Lenovo's standard contractual terms and conditions for production suppliers require compliance with Lenovo's Supplier Code of Conduct. Conformance to Lenovo's Supplier Code of Conduct is assessed as part of the procurement evaluation and decision-making process. The key elements of the Lenovo Supplier Code of Conduct are as follows:

- Procurement Values and Ethical Dealings
- Conflicts of Interest and Business Integrity
- Supply Chain Security
- Human Rights
- Responsible Business Alliance
- Employment Agencies
- Climate Change
- Environmental Aspects
- Responsible Sourcing of Raw Materials
- Non-Discrimination and Non-Retaliation
- Supplier Diversity
- Sustainability Reports, Assessments and Product Certifications
- Supply Chain Due Diligence
- Reporting Concerns

#### International Standards and Certifications

Lenovo supports the work of many independent, non-governmental international organizations which bring together experts to share knowledge and develop voluntary, consensus-based, market relevant international standards that support innovation and provide solutions to global challenges.

Lenovo maintains third-party certification for its internal manufacturing operations to the following standards and encourages its production suppliers to maintain certifications to these standards.

- ISO 9001 Certification for Quality Management Systems
- ISO 14001 Certification for Environmental Management Systems
- ISO 45001 Certification for Occupational Health & Safety

#### Responsible Business Alliance (RBA)

Lenovo believes in the benefits of having an industry standard supply chain code of conduct and therefore implements the RBA Code of Conduct internally within Lenovo global manufacturing locations and externally across its supply chain. Lenovo has been a member since 2006 and supports RBA's efforts to ensure that working conditions in the electronics industry supply chain are safe, workers are treated with respect and dignity, and that business operations are environmentally responsible, do not fund conflict and are conducted ethically.

#### **Identification of Risk**

Lenovo's procurement activities include both direct (supporting product production) and indirect (serving internal operations) procurement. With regards to Lenovo's risk for human trafficking and slavery, the risk is largely in the external supply chain for direct procurement. This risk exists because many suppliers have access to large, lower-skilled labor pools that

are vulnerable to exploitation. The risk also exists in other tiers of the supply chain, from component manufacturers, smelters, and refiners to the miners of raw materials.

Lenovo's indirect procurement activities serve its internal operations and have a smaller risk in that they represent a small fraction of its overall procurement spend, involve suppliers with higher skilled employees, and have significantly fewer supporting tiers.

With respect to Lenovo internal manufacturing locations, it has direct control over the management and labor force of these operations and believes them to be of very low risk for human trafficking and slavery abuses. Lenovo's line management conducts self-audits, and Lenovo Corporate Internal Audit conducts independent audits. Additionally, its manufacturing sites receive RBA independent third-party audits with RBA-approved auditors and are very visible to Lenovo's global management team.

### **Supply Chain Due Diligence**

Responsible sourcing is embedded into Lenovo's supply chain management business processes. Its Supplier Sustainability Scorecard includes metrics on suppliers' adherence to its Conflict Minerals expectations. This scorecard is used by Lenovo executives in business reviews with suppliers and provides a key input into business decisions.

Lenovo actively participates in Responsible Minerals Initiative's (RMI) programs. RMI's tools and guidance documents help Lenovo address responsible sourcing risks for minerals. Lenovo supports China smelters engagement through the China SET (Smelter Engagement Team) within the RMI and by serving as the SPOC (Single Point of Contact) for both 3TG and Cobalt smelters or refiners in Asia. Lenovo continued to drive its suppliers to discontinue the use of non-conformant smelters. Lenovo also directly engaged with smelters and refiners to undergo Responsible Minerals Assurance Process (RMAP) audits.

Lenovo directly validates supplier compliance with the RBA Code of Conduct, which includes conflict minerals. This includes formal annual supplier Self-Assessments and biennial supplier audits of compliance to the RBA Code of Conduct with independent RBA approved third party auditors and reporting with RBA tools. Corrective Action Plans are received for all audits.

### **Additional Actions**

In order to further enhance our programs in this area, Lenovo took the following additional actions:

- Real-time reporting of working hours and days off for many suppliers
- Continued efforts to encourage more suppliers to achieve RBA Silver, Gold, Platinum, or Factory of Choice status
- Continued efforts to achieve 0 RBA Priority findings from the annual average 0.2 per RBA audit
- Implemented EcoVadis assessment tools to assess suppliers
- Improved cobalt due diligence processes

## **Prevention and Mitigation of Risk**

Lenovo implements multiple measures designed to minimize the risk of slavery and human trafficking and drive social responsibility within its business and its supply chain.

### Responsible Partners

Lenovo generally does business with large international and national suppliers who have their own corporate ESG programs. Specifically:

- 76% of its procurement spend is with formal RBA Members
- 92% of its procurement spend is with companies who also issue public Corporate ESG Reports
- 96% of its procurement spend is with ISO 9001 and ISO 45001 certified companies
- 97% of its procurement spend is with ISO 14001

### RBA Code of Conduct Implementation and Verification

Lenovo encourages its suppliers to comply with the RBA Code of Conduct and to ensure that supplier working conditions are socially, environmentally, and ethically responsible. The labor section of the RBA Code of Conduct specifically addresses forced labor, child labor and human trafficking concerns.

RBA membership requirements call for an annual risk assessment on at least 80% of Tier 1 direct manufacturing suppliers by spend and annual audits on 50% of those identified as high risk. Lenovo's implementation exceeds this requirement. Lenovo directly validates compliance for approximately 95% of its procurement spend with self-assessments and audits, which includes many critical Tier 2 and Tier 3 suppliers who are also Tier 1 suppliers. Lenovo requires these suppliers to:

- Comply with Lenovo's Supplier Code of Conduct
- Conduct a risk assessment using the RBA Self-Assessment Questionnaire (SAQ) annually and report the results in the RBA online tool
- Perform assessments at a supplier corporate level and key site level
- Conduct biennial, independent, third-party RBA audits with RBA-approved auditors
- Document audit reports and corrective action plans
- Confirm closure of action plans
- Require upstream suppliers to comply with the RBA Code of Conduct

This validation and audit results reporting process forms the basis for Lenovo's evaluation of the effectiveness of its programs.

### Supplier Penalties & Credits

Supplier ESG performance is included in Lenovo's quarterly supplier report cards. Its top 100 suppliers, covering over 95% of its procurement spend, are scored against 32 key indicators across the RBA Code of Conduct elements and performance, environmental

impact goals and reductions, conflict minerals efforts, EcoVadis participation and rating results, and ESG reporting. Supplier ESG performance is used as an overall multiplier against the aggregate cost, quality, delivery, technology, and service scores and can significantly influence a supplier's overall rating.

### Supplier Relationship Management

Lenovo also has a Supplier Advisory Council (LSAC) where senior executives from Lenovo and its 45 critical suppliers (constituting about 80% of its procurement spend) meet semi-annually.

### **Accounting for Risk**

To verify whether adverse human rights impacts are being prevented, or resolved if they occur, Lenovo is tracking the effectiveness of its programs and reports on them internally and externally. Key reporting on the supply chain includes the following examples.

### Internal Reporting & Metrics

ESG performance is measured and reported to senior procurement management as follows:

- RBA Monthly Reporting:
  - Number of suppliers in the validation program
  - Percent on-time self-assessments; numbers of late self-assessments and those due within 3 months
  - Percent on-time audits, number of late audits and number due within 6 months
  - Number of late corrective action reports
  - Number of open action items, number of priority findings, and number of supplier responsibility findings
  - Number of suppliers with late working hours / time off quarterly validation reports
  - Newsletter of current and upcoming events, programs, and issues
  - Full supporting detail on each issue and individual supplier status
  - Working hours and time off is also reported by outsourced manufacturing suppliers via an online tool
- RBA Quarterly Reporting
  - Overall year to date audit scores and yearly trends
  - By segment year to date audit scores (labor, environmental, occupational health and safety (OH&S), ethics, and management systems)
  - Average number of Priority Findings and average number of Major Findings
  - Full supporting detail of each audit finding

### External Reporting

Further details are available publicly within Lenovo's [ESG Report](#) along with other information on its [ESG resources](#) pages.

## **Training and Capability Building**

Lenovo conducts several education and communication activities throughout the year for Global Supply Chain employees and suppliers, which may include:

- Monthly newsletters
- Annual ESG training
- Annual training on Supplier Report Card penalties and credits
- Annual training on Supplier Code of Conduct
- Annual Environmental Impact training
- Annual Responsible Sourcing of Raw Materials training

### External Capability Training

As noted above, a substantial portion of Lenovo’s suppliers are large international and national suppliers with existing and substantial ESG programs, so the need for capability building is lessening. Furthermore, the RBA has a readily available comprehensive Learning Academy with modules on all their programs, guidance and tools. In addition to this Lenovo provides:

- Ad-hoc education as necessary
- Semi-annual communications letters on the RBA, environmental impact, conflict minerals, Supplier Code of Conduct expectations and program efforts

## **Effectiveness**

Lenovo has been a member of RBA since 2006. In support of this program, all Lenovo owned facilities as well as 95% of our suppliers by spend are required to undergo biennial RBA audits. In 2021 RBA introduced version 7.0 of their Code of Conduct. In 2022, Lenovo has continued with adopting these standards and requires our suppliers to comply with the latest version of the RBA Code of Conduct. During audits conducted by independent auditors to the RBA Code of Conduct, no instances of forced labor were found at any Lenovo production facility nor at any of the audited supplier facilities.

As of FY 2022/23, Lenovo owned facilities’ average score for RBA Validated Assessment Program (VAP) audits was 174 vs the industry average of 146. Additionally, three audited Lenovo facilities were awarded platinum status, one was awarded gold, five were awarded silver. In addition, two were awarded remote recognition status and all Lenovo owned facilities achieved Factory of Choice status.

In FY2022/23, Lenovo implemented live session education on forced labor prevention with its 161 sourcing managers of the global business groups, and a supplier webinar covering the topic of forced labor with 491 attendees from more than 140 suppliers. Lenovo is an active member of several RBA workgroups.



## Remediation of Adverse Impacts

In the event of supplier non-conformance to ESG requirements, several actions may take place, including:

- Immediate discontinuation of business for serious violations
- Track all audit findings to closure and require supporting evidence whenever possible
- Penalize the supplier in the quarterly supplier report card score with the ESG multiplier
- Senior Procurement management engagement with the supplier
- Executive Lenovo management engagement with the supplier

Ultimately poor ESG performance results in lower business volume and eventual discontinuation of business. It is Lenovo's experience that good ESG performance often comes hand-in-hand with good cost, quality, delivery and other performance attainment measures and therefore is a good business performance indicator. Suppliers with strong ESG performance coupled with strong performance overall are rewarded with increased business volume and continuation of the business relationship.

This disclosure summarizes the efforts Lenovo has taken in its own business, as well as its suppliers, to eradicate slavery and human trafficking from its supply chain and promote human rights and employee welfare globally. This document has been reviewed by its Board of Directors and will be published externally.

A handwritten signature in black ink, appearing to be "Yang Yuanqing", written over a horizontal line.

Director Signature  
Approved by Lenovo Board of Directors

Director Name: Yang Yuanqing