

Summary of Supplier Audit and Corrective Action Report

CY 2025

Lenovo identifies, assesses, and addresses risks of labor rights, occupational health and safety requirements in our supply chain. We prioritize high-risk suppliers through annual risk assessment against to Annex B of EPEAT Responsible Supply Chains Criteria 2025, and the assessment covers all risk categories identified in Annex C.

With the identified prioritized supplier facilities list, Lenovo works with the electronics industry on supply chain issues through our [Responsible Business Alliance \(RBA\)](#) (formerly the Electronics Industry Citizenship Coalition (EICC)) membership to further audit suppliers' performance labor rights, occupational health and safety requirements. Lenovo contractually applies the [RBA Code of Conduct](#) and associated audit requirements. In addition to RBA, we regularly engage with the following organizations, either on a recurring basis or through partnerships, to gather feedback on our supply chain programs:

- Carbon Disclosure Project (CDP)
- EcoVadis
- Responsible Labor Initiative
- Responsible Minerals Initiative
- Responsible Factory Initiative
- World Resources Institute (WRI)
- Rocky Mountain Institute
- Environmental Defense Fund (EDF)

The Process to Identify Prioritized Supplier Facilities

Our supply chain risk assessment covers the geographic-specific risk, product and sector-specific risk, enterprise-specific risk, and supplier characteristics/materiality risk as defined in Annex C of the *EPEAT Responsible Supply Chains Criteria 2025*. Each risk element is paired with a corresponding, dedicated data source. The risk assessment is conducted on a 10-point scale based on the scoring criteria, with the importance level adjusted by weights. The higher the score, the higher the risk; the lower the score, the lower the risk.

During the assessment process, Lenovo collects information on each supplier facilities and scores supplier facilities according to established criteria. The final risk score will be calculated according to the scores and weight of each sublevel risks, and it will be defined as “Accepted”, “Low risk”, “Medium risk”, and “High risk” according to specific score range. All high and medium risk supplier facilities identified in the assessment are Prioritized Supplier Facilities. In addition, supplier facilities found to have priority non-conformances will be assessed as “High risk” supplier facilities directly, despite the actual risk score. With risk scores of all supplier facilities, Lenovo outputs the Priority Supplier List consisted of supplier facilities with “Medium risk”, and “High risk” risk scores.

Lenovo requires prioritized supplier facilities identified through the above assessment and 95 percent of suppliers by spending to complete SAQ every year and conduct an RBA audit every two years. In CY 2025, suppliers conducted a total of 97 audits. The percentage of supply chain facilities directly contracted by Lenovo that were audited is 63%. The following table summarizes the percentage of total supplier facilities audited per risk category.

	CY 2025*
Accepted	49%
Low Risk	38%
Medium Risk	11%
High Risk	2%

**CY2025 is the first year that Lenovo uses a prioritization assessment methodology to identify prioritized supplier facilities.*

Responding to RBA assessment labor-related results

Lenovo supports the rights of its employees and its suppliers' employees to form and join—or refrain from joining—organizations of their choice, and to bargain collectively through their chosen representatives without interference, discrimination, retaliation, or harassment. It also abides by the RBA Code of Conduct's requirements for Freedom of Association and Collective Bargaining.

The following table summarizes the number of major, and priority labor-related non-conformance identified in supplier RBA audits.

Labor-related results	CY 2023		CY 2024		CY 2025	
	# of Non-conformance*	% of Total Supplier Facilities Impacted	# of Non-conformance	% of Total Supplier Facilities Impacted	# of Non-conformance	% of Total Supplier Facilities Impacted
Prohibition of Forced Labor	5	9%	7	12%	5	2%
Young Workers	2	2%	0	0%	3	2%
Working Hours	63	93%	47	82%	68	73%
Wages and Benefits	45	77%	36	56%	49	52%
Non-Discrimination/ Non-Harassment/ Humane Treatment	1	2%	0	0%	0	0%
Freedom of Association and Collective Bargaining	0	0%	0	0%	1	1%

*# of Non-conformance includes major and priority findings identified in RBA audits.

Responding to RBA assessment OHS-related results

The following table summarizes the number of major, and priority OHS-related non-conformance identified in supplier RBA audits in CY 2025.

OHS-related results	CY 2023		CY 2024		CY 2025	
	# of Non-conformance*	% of Total Supplier Facilities Impacted	# of Non-conformance	% of Total Supplier Facilities Impacted	# of Non-conformance	% of Total Supplier Facilities Impacted
Occupational Health and Safety	28	43%	19	34%	27	31%
Emergency Preparedness	18	29%	22	36%	18	20%
Occupational Injury and Illness	6	11%	5	8%	4	5%
Industrial Hygiene	5	9%	6	12%	5	6%
Physically Demanding Work	0	0%	1	2%	0	0%
Machine Safeguarding	1	2%	2	4%	4	5%
Food, Sanitation and Housing	8	14%	4	6%	4	5%

**# of Non-conformance includes major and priority findings identified in RBA audits.*

Audit Performance by Country and Category of Production Spend

The two tables below illustrate the proportion of labor-related and OHS-related findings identified during RBA audits across different locations and production spend categories in CY 2025.

	China	Vietnam	Brazil	Singapore
Labor-related results*	94%	5%	2%	0%
OHS-related results	88%	9%	3%	0%

* Percentages may not add up to 100% due to rounding.

	Final Assembly	Component Supplier
Labor-related results	21%	79%
OHS-related results	18%	82%

Continuous Improvement and Capability Building

The Corrective Action Plan (CAP) is a key process of continuous improvement, allowing Lenovo to verify that suppliers have taken concrete steps to remedy any issues. All suppliers required to undergo an RBA audit must submit a Corrective Action Plan (CAP) within 60 days of Lenovo receiving their audit reports. The CAP should include clear timelines, designated responsible parties, and measurable actions to demonstrate a commitment to continuous improvement. Suppliers identified with priority non-conformances during the RBA audit are required to complete a closure audit within 3 to 6 months. Strong and verifiable evidence must be provided to confirm that the identified issues have been effectively resolved.

Lenovo has an enhanced ESG digital platform with a supplier training module. This module offers a comprehensive suite of ESG training courses, ranging from detailed explanations of its ESG project requirements to sessions on the latest developments and best practices in ESG-related issues including RBA Compliance training. Lenovo holds Supplier ESG Day online event annually. The event focuses on the latest global ESG trends in supply chains, explored impacts on Lenovo's supply chain, and provided an overview of knowledge and practices across climate change, RBA management, and digital-driven ESG management.

Allegation Management

Lenovo is committed to fostering a speak up culture, where employees, contractors, business partners, and suppliers are encouraged to speak up on anything that appears unethical, illegal, or suspicious. Lenovo takes reports regarding possible human rights and OHS violations seriously. Persons who know of, or suspect, a violation of applicable laws, regulations or *Lenovo's Supplier Code of Conduct*, are encouraged to utilize the following reporting options, but not limited to:

- Ethics and Compliance Office at ethics@lenovo.com
- LenovoLine – Lenovo's Confidential Reporting Hotline (<https://lenovo.whispli.com/speakup>)
- For China based individuals, please use the link below to access the LenovoLine: <https://lenovo.whispli.com.cn/speakup>
- Your primary Lenovo contact or another Lenovo contact that you trust

You should promptly report any conduct that:

- Seems unethical or suspicious
- Is a violation of legal or regulatory requirements
- May violate this Supplier Code or related policies or procedures

Lenovo takes all allegations and concerns seriously. Lenovo will maintain confidentiality to the extent possible and will not tolerate retaliation taken against any individual who has, in good faith, sought out advice or reported questionable behavior or a possible violation of this Supplier Code of Conduct. Such reports may be made anonymously, by using any of the methods set forth above. Although reports of violations or suspected violations may be made verbally, persons are encouraged to make any such reports in writing, which assists the investigation process and facilitates any follow-up as appropriate.

Suppliers are expected, consistent with applicable laws and contractual obligations, to provide reasonable assistance to any investigation by Lenovo of a violation, and to allow Lenovo reasonable access to all facilities, records and documentation concerning their compliance with the laws, regulations or *Lenovo's Supplier Code of Conduct* under investigation.

The receipt of any public report alleging potential violations of labor rights or occupational health and safety standards by a supplier, several actions may take place, which include:

- Conducting a detailed investigation to ascertain the facts and validity of the reported issues
- Tracking remediation and corrective actions implementation whenever possible
- Performing an onsite spot check that includes private interviews with workers to gain an unbiased understanding of the conditions
- Evaluating the nature and extent of the impact on workers to guide the development of any necessary corrective and remedial measures
- Penalization of the supplier in the quarterly supplier report card score with a sustainability multiplier
- Senior procurement management engagement with the supplier
- Executive company management engagement with the supplier