

Lenovo's Environmentally Preferable Paper Sourcing Policy and Practices March 2014 Update

Summary:

Lenovo recognizes the importance of our global forest resources in providing habitats for wildlife, protection for watersheds, valuable resources for commerce, and mitigation for the impacts of climate change. We understand the impact that our purchases have on forest resources and are committed to responsible practices and purchasing in this area. All Lenovo suppliers must comply with all applicable laws, including compliance with laws related to water, waste, and emissions, and we prohibit suppliers from using forest products derived from illegal sources.

Our Commitments and Practices:

Source reduction:

Lenovo's approach to responsible paper sourcing starts at the design phase. Lenovo packaging engineers continually evaluate our packaging designs to minimize the amount of materials used while maintaining the required performance characteristics. We've driven down packaging size and weight across all product categories, and as a result we're using on average 5% less materials by weight per package than we were in 2011, after already making significant reductions in previous years. In addition to using less materials, these efforts have made our packaging lighter and allow us to fit more packages on a pallet, in many cases allowing us to increase pallet density by 17-33%.

We also have a strong focus on materials reduction for our publications. We've eliminated the use of multi-page user manuals shipped with many of our products by placing much of the information online.

Reusable packaging:

Lenovo offers reusable bulk packaging as an option for our notebook, desktop, monitor, server, and workstation products. Lenovo has instituted the use of reusable packaging for intra-company shipments in our China desktop manufacturing operations.

Use of recycled materials:

Lenovo places a preference on 100% recycled content materials. Lenovo requires all corrugated container packaging supplied to be at least 50% or greater post-consumer fiber content and requires suppliers to use the maximum available post-consumer material without compromising needed performance. Lenovo also requires a minimum of 45% post-consumer recycled content fiber in its paperboard packaging and 100% recovered fiber. In addition, Lenovo strongly recommends the use of FSC certified fibers where virgin fibers are used and requires its use in Kraft liners for all Think products.

Recycling of End-of-Life Materials:

Lenovo encourages recycling of products and packaging at the end of their useful life and provides recycling solutions in many geographies where we do business.

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Owners: Royal Bai, Manager, Worldwide Packaging; Anderson Gao, Senior Manager, Global Logistics Back Office & Sustainability; Mary Jacques, Senior Engineer, Global Environmental Affairs

Sustainable Sourcing

In FY13/14, Lenovo conducted a comprehensive survey of our suppliers to determine the source of pulp and virgin fibers, and developed a baseline for the use of FSC and recycled content in our packaging and publications. As a result of this survey, in FY13/14 Lenovo transitioned all Think products (notebooks, desktops, monitors, servers, and workstations) to 100% FSC certified Kraft liners and has made this a requirement in Packaging Specification 45J5388 "Lenovo OEM/ODM Packaging Requirements." The Kraft liner is the only packaging component made of 100% virgin wood fiber and is made from this material in order to achieve desired performance and appearance characteristics. All other packaging components for Think products contain recycled content and must meet the following requirements:

- Corrugated container (box) packaging must contain at least 50% post-consumer fiber and should exceed that to the maximum available post-consumer material where adequate supplies exist and where it does not impact performance;
- Paperboard packaging should contain a minimum of 45% post-consumer fiber and 100% recovered fiber. FSC certified paperboard is strongly recommended.

Lenovo is also using biodegradable packaging in the form of bamboo fiber cushions in our ThinkPad X1 carbon and ThinkCentre Tiny products. We are continuing to evaluate expanding the use of biodegradable materials on additional product lines.

In addition to individual product packaging, Lenovo's packaging and logistics teams continue to drive improvements in pallets and other types of packaging. In FY13/14, Lenovo continued to promote the use of an ultra-light (4kg) foam pallet a 125g/box savings in materials consumption, as well as savings in carbon emissions and costs associated with shipping. Lenovo will continue to roll these ultra-light pallets out in new regions as we work with our local logistics providers, and our plan is to start using these pallets for notebook air shipments as soon as possible.

Continual Improvement: Consumer Products

Lenovo is working to drive improvements in the size and volume of packaging for select consumer products in addition to our Think branded commercial products. Due to unique performance and appearance requirements for consumer products, many of which are sold in retail settings, reductions in size for these types of product packaging can be challenging.

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