

The Lenovo logo is displayed in a bold, italicized, white sans-serif font.

NEW WORLD. NEW THINKING.

## **Sustainability/CSR Breakout Session**

**Bill Weeks**

**Director, GSC Sustainability**

**Jackie Vereen**

**Sustainability Program Manager, GP**

# Introduce Key Members of Lenovo's GSC Team



Bill Weeks  
Sustainability Director  
Lenovo Global Supply Chain



Jackie Vereen  
Sustainability Program Manager  
Lenovo Global Procurement

# Discussion Points this Afternoon

- Summarize this morning's messages
- EICC as Lenovo's CSR framework
  - Thank-you for your great support so far!
  - Lenovo will use standard approach and tools
  - Expand usage into Tier 1 and Tier 2 suppliers
- Review key target dates
- Discuss future capability building events

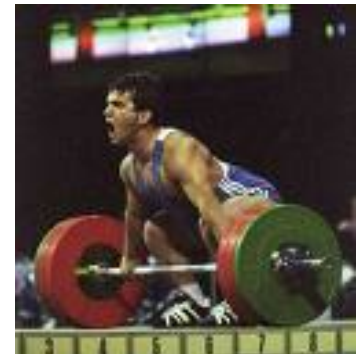
# Accepted Industry Sustainability Definitions

- United Nations definition:
  - “*Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.*”
- Global Reporting Initiative’s sustainability focus areas:
  - Impact on the **social** systems
  - Impact on **environment** – both living and non-living natural systems
  - Impact on **economic** conditions of its stakeholders



# This Morning's Messages were Powerful

- Gerry Smith:
  - Sustainability compliance a top strategic initiative in FY 08/09
  - Lenovo's GSC is committed to EICC compliance
- Bill Amelio:
  - Social responsibility a key element of Worldsourcing
  - Lenovo products committed to Green
- Fran O'Sullivan
  - Environmental leadership key for "Best-Engineered" PCs
  - Lenovo products proudly display leading eco-logos
- Liu Jun
  - Consumer business will also lead in sustainability



# Qiao Song was Clear on CSR Expectations

- Lenovo committed to EICC's standards
  - Labor
  - Environment
  - Ethics
  - Health & Safety
  - Management System
- Call to action
  - Tier 1 and Tier 2 supplier compliance
  - Supplier self-audits
  - E-TASC subscriptions
  - Revised agreements



# EICC is Lenovo's Framework for Supplier CSR

- Like many in our industry Lenovo is an EICC member
- EICC membership includes such industry leaders as:



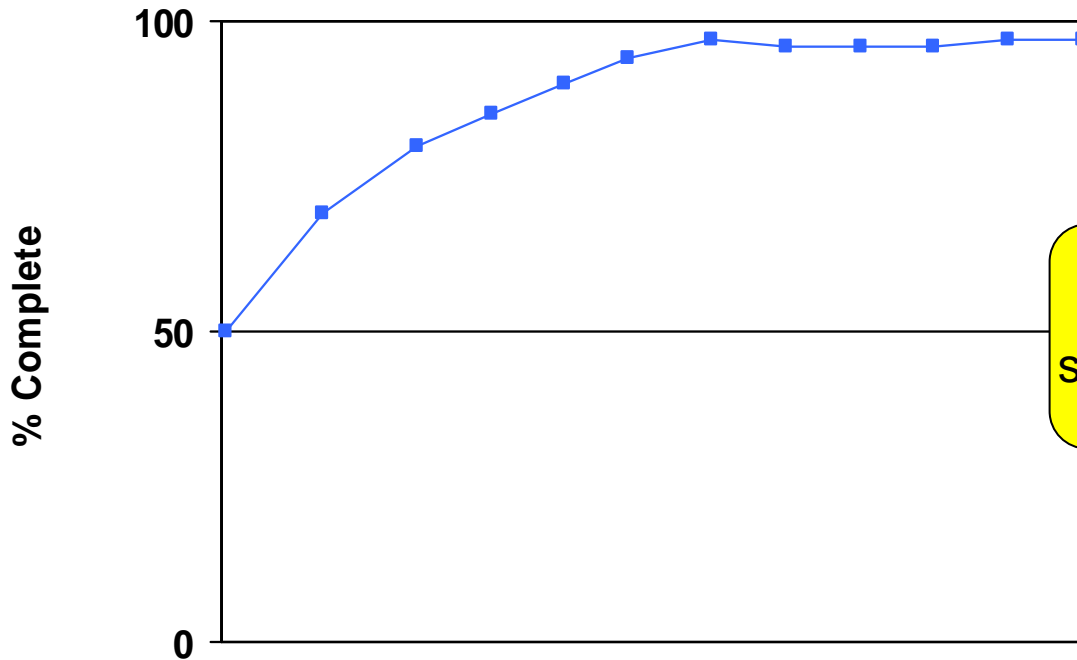
# Lenovo's Operations Meet EICC Standards

- We use EICC self-assessments and self-audit tools
- We learn from industry best practices
- We use standard, uniform approaches where possible
- We promote changes within EICC framework



# Lenovo Production Supplier SAQ Submittal at 97%

Production Supplier EICC SAQ Status

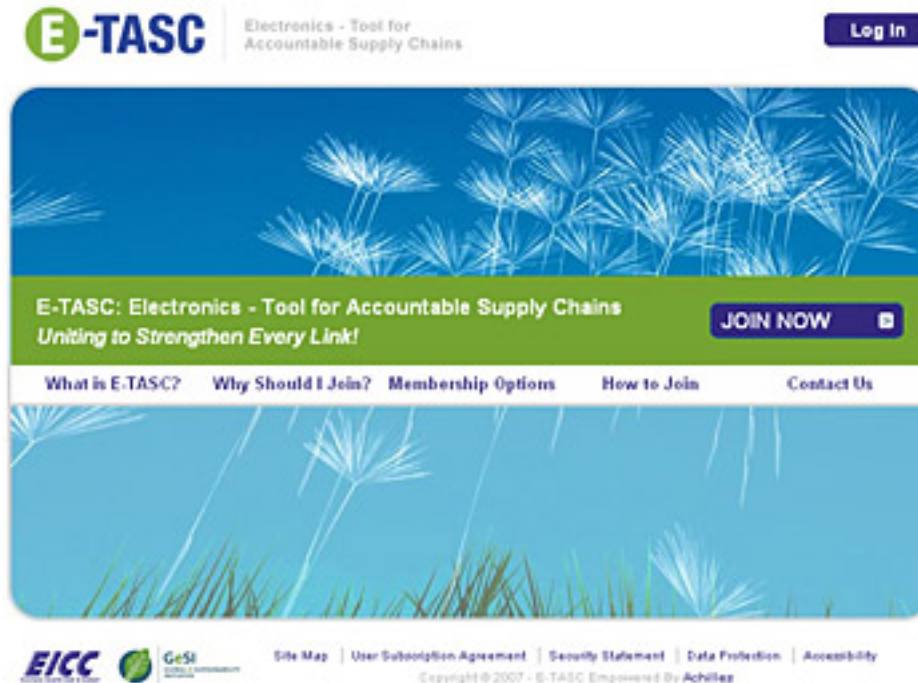


We appreciate your strong and quick support!

	2/11	2/20	2/29	3/7	3/14	3/20	3/28	4/4	4/11	4/18	4/25	5/2
SAQ % - w/o Server	50	69	80	85	90	94	97	96	96	96	97	97



# Lenovo is Moving to EICC's E-TASC Tool



- Uniform and standard approach for the EICC SAQ process
- Provides feedback and suggestions on best practices
- Supports collaboration on ways we can improve
- Lowers cost and effort to communicate and share

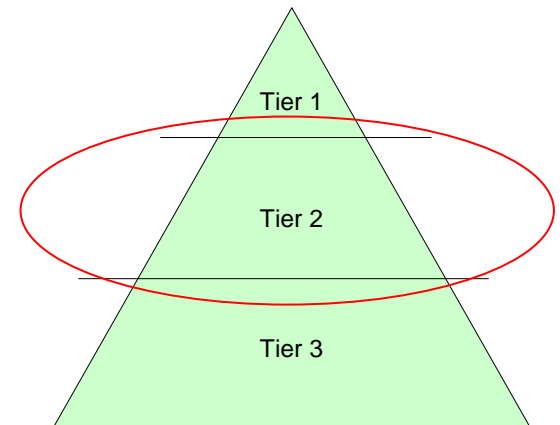
# Lenovo's Supplier Expectations

- Lenovo's Tier 1 suppliers have promised to support EICC
  - We will strengthen our commitment contractually
- And we will now move to the next level
  - E-TASC subscription & upload of SAQs
  - Use E-TASC best practice ideas to improve
  - Use 3<sup>rd</sup>-Party audits and EICC audit protocol
  - Be transparent with each other on results

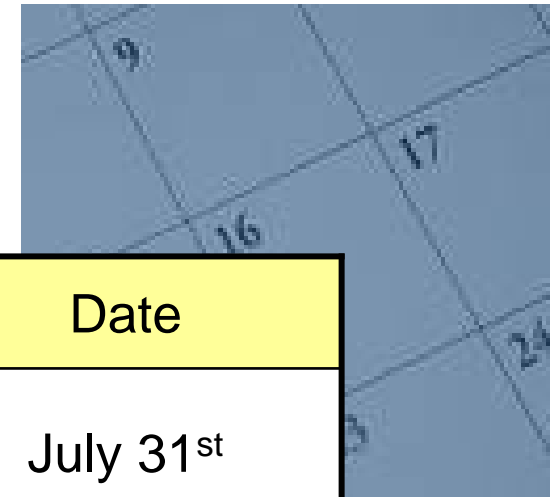


# We Will Extend this into Our Tier 2 Suppliers

- Lenovo is committed to lead with Tier 2 supplier effort
  - Lenovo will ask for names of Tier 2 suppliers
- We will work with you to ensure Tier 2 suppliers:
  - Commit to EICC and use EICC SAQ
  - Complete 3<sup>rd</sup>-Party EICC audits
  - Use E-TASC to communicate results to you and Lenovo



# Key Target Dates



Target	Date
Tier 1 Contract Amendments Done	July 31 <sup>st</sup>
Tier 1 SAQ's in E-TASC	Aug 29 <sup>th</sup>
Tier 1 3 <sup>rd</sup> -Party Audits Completed	Nov 28 <sup>th</sup>
Tier 2 Supplier SAQs in E-TASC	Oct 31 <sup>st</sup>
Tier 2 Supplier 3 <sup>rd</sup> -Party Audits Completed	Jan 30 <sup>th</sup>

# We Are Making Plans for Future Events



- Supplier training events are being planned
  - Conduct training at Lenovo manufacturing sites
  - Open to our suppliers as well as Tier 2 & 3 suppliers
- Lenovo plans to sponsor a China Sustainability Forum
  - Include suppliers and NGOs
  - Collaborate on sustainable supply chains
- Please share with your GCM your interest in these events



## Questions & Discussion

Back-up

# What the Electronic Industry Code of Conduct Includes

*The Electronic Industry Code of Conduct* is influenced by internationally-recognized standards. It comprises five sections, each containing a number of standards or elements as summarized below. The Code may be voluntarily adopted by any business in the electronics sector and subsequently applied by that business to its supply chain and subcontractors.

## **A. LABOR**

1. Freely Chosen Employment
2. Child Labor Avoidance
3. Working Hours
4. Wages and Benefits
5. Humane Treatment
6. Non-Discrimination
7. Freedom of Association

## **B. HEALTH and SAFETY**

1. Occupational Safety
2. Emergency Preparedness
3. Occupational Injury and Illness
4. Industrial Hygiene
5. Physically Demanding Work
6. Machine Safeguarding
7. Dormitory and Canteen

## **C. ENVIRONMENTAL**

1. Environmental Permits and Reporting
2. Pollution Prevention and Resource Reduction
3. Hazardous Substances
4. Wastewater and Solid Waste
5. Air Emissions
6. Product Content Restrictions

## **D. MANAGEMENT SYSTEM**

1. Company Commitment
2. Management Accountability and Responsibility
3. Legal and Customer Requirements
4. Risk Assessment and Risk Management
5. Performance Objectives with Implementation Plan and Measures

## **6. Training**

7. Communication
8. Worker Feedback and Participation
9. Audits and Assessments
10. Corrective Action Process
11. Documentation and Records

## **E. ETHICS**

1. Business Integrity
2. No Improper Advantage
3. Disclosure of Information
4. Intellectual Property
5. Fair Business, Advertising and Competition
6. Protection of Identity
7. Community Engagement