Addressing Climate Change at Lenovo:

“Lenovo’s Journey to Science-Based Targets”

Summary

Lenovo is currently on our second ten-year cycle for greenhouse gas emission reductions targets. Our journey started with “raw” emission reductions based on the best of knowledge at the time. Then we moved to “educated” emission reductions based on customers’ and investors’ expectations and the latest climate change science. And we reached a “scientific” emission reductions approach based on Science Based Targets initiative’s methodology, guidance and tools as of now.

Lenovo’s journey to science-based targets in a nutshell:

We learned how to stand  Climate Beginner -- 2010
before we were able to walk  and  Climate Improver -- 2015
eventually we mastered to run .  Climate Advancer -- 2020
Lenovo’s journey to science-based targets in detail:

2010 – Climate Beginner

Lenovo originally committed to absolute reductions in our operational carbon emissions of 20% by FY 2019/2020, relative to FY 2009/2010. This goal was designed to be accomplished through stepwise reductions over a 10-year period (10% by FY 2010/11, 13 % by FY 2012/13, 16% by FY 2015/16 and 20% by FY 2019/20).

How did we come up with 20%?

We knew it was the right thing to do to set up greenhouse gas reduction targets, but we weren’t sure exactly how to set this type of goal. There were not many tools and guidance easily available at that time, so we did our best by looking at the current scientific consensus and what leaders in our industry and other industries were doing.

“Even though our 20% goal was not the most aggressive target to set in the industry, this target was a significant start on Lenovo’s climate change journey. Setting the goal was the foundation of our accomplishments throughout the past 10 years and has taught us how to achieve more refined results in next ten years.”

Rob J. Taylor, Director, Environmental, Sustainability and Compliance

2015 – Climate Improver

In the middle of our emission reduction journey, we re-evaluated our progress towards the milestones of 10% and 13% (accomplished) and 16% and 20% and understood we were on track to accomplish this goal. When we reported these results, we were challenged by our Chief Sustainability Executive to assess if our goal was adequate, given the new findings and scientific recommendations in the area of climate change. As a result, as of April 1, 2015, Lenovo revised its original target and set a new goal of a 40% reduction by FY 2019/2020, relative to FY 2009/2010.

How did we come up with 40%?

Since establishing our original targets, we saw increased climate change movement in all directions – corporations, governments, researchers and citizens. Our customers’ and investors’ environmental expectations changed, and we needed to change as well. Based on our reduction accomplishments, competitors’ commitments and latest scientific findings of climate science, Lenovo’s Executive Committee and Board of Directors approved the recommendation to increase overall reduction target for scope 1 and 2 GHG emissions from 20% to 40%.

Lenovo’s Chief Sustainability Executive at that time presented the recommendation to Lenovo’s Executive Committee and Lenovo’s Board of Directors.

Peter D. Hortensius, Senior Vice President and Chief Technology Officer (retired)
A couple of years before the expiration of our 2020 climate change goals, we started thinking of how to move on with our emission reduction journey. We were on track to accomplish and exceed our goals and knew that we needed to look more closely at our scope 3 emissions to follow the latest scientific research, findings and recommendations. In May 2020, our Lenovo’s Executive Committee and Board of Directors reviewed and didn’t oppose to scope 1, 2 and 3 emission reduction targets that were evaluated and deemed as science-based by Science Based Target initiative (during first preliminary assessment and then second official validation).

How did we come up with science-based targets?

We performed a gap analysis and evaluated Lenovo’s readiness to establish science-based targets for GHG emissions reduction targets after 2020 by reviewing Science Based Targets initiative’s (SBTi) materials during 2017. A preliminary unofficial evaluation of Lenovo’s current targets by SBTi confirmed our finding that even though our annual reduction rate of our current scope 1 and 2 target is strong and science-based, we need to set up ambitious scope 3 target/s. To confirm internal buy-in in establishing science-based targets, we submitted Lenovo’s science-based targets commitment letter to SBTi in August 2018 which indicated that Lenovo will work to set a science-based emission reduction target in next 24 months. We used SBTi’s tool for calculating our emission reduction goal for scope 1 and 2. We worked internally with product business units/groups, global supply chain and global logistics teams and developed scope 3 targets covering three main categories in our scope 3 emissions: use of sold products, purchased goods and services, and upstream transportation and distribution. We submitted our proposed scope 1, 2 and 3 emissions reduction targets to SBTi for another unofficial evaluation and based on their feedback adjusted our proposal. At the end of June 2020, we received the exciting news that our proposed targets were verified and approved as science-based by SBTi. We officially released our scope 1, 2 and 3 science-based targets externally shortly after that. [Exhibit 1].

“We congratulate Lenovo for setting emission reduction targets consistent with limiting warming to 1.5°C, the most ambitious goal of the Paris Agreement, and for setting ambitious targets for their value chain emissions” said Cynthia Cummis, Director of Private Sector Climate Mitigation at World Resources Institute, one of the Science Based Targets initiative partners. “As a leading company in their sector, Lenovo’s actions will positively impact the technology industry and help their customers reduce their own emissions.”

Our journey of contribution to transition to low-carbon economy continues …
we are focused on meeting our targets NOW!

What is next? We will start exploring options to achieve net-zero emissions by 2050 and look closely at the challenge of aligning scope 3 emissions reduction with the goal of limiting global temperature rise to 1.5°C above pre-industrial levels.
Exhibit 1: Lenovo’s scope 1, 2 and 3 science-based targets

Base year: FY 2018/19
Target year: FY 2029/30

Reduce absolute scope 1 and scope 2 GHG emissions 50%

Reduce scope 3 GHG emissions from use of sold products 25% per comparable product (for notebooks, desktops and servers)

Reduce scope 3 GHG emissions from purchased goods and services 25% per million US$ procurement spend

Reduce scope 3 GHG emissions from upstream transportation and distribution 25% per tonne-km of transported product

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About Lenovo:

Lenovo (HKSE: 992) (ADR: LNVGY) is a US$50 billion Fortune Global 500 company, with 63,000 employees and operating in 180 markets around the world. Focused on a bold vision to deliver smarter technology for all, we are developing world-changing technologies that create a more inclusive, trustworthy and sustainable digital society. By designing, engineering and building the world’s most complete portfolio of smart devices and infrastructure, we are also leading an Intelligent Transformation – to create better experiences and opportunities for millions of customers around the world. To find out more visit https://www.lenovo.com, follow us on LinkedIn, Facebook, Twitter, YouTube, Instagram, Weibo and read about the latest news via our StoryHub.