

联想控股

LEGEND HOLDINGS

EMPOWERING COMPANIES TOWARD GREATNESS

(A joint stock limited company incorporated in the
People's Republic of China with limited liability)
Stock Code: 03396



2023

**ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT**

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ABOUT THE REPORT



ABOUT THE REPORT

The Report is the seventh *Environmental, Social and Governance (ESG) Report* (“the Report”) released by Legend Holdings Corporation (“Legend Holdings”) that aims to disclose the principles upheld, the management methodologies established, the activities carried out and the achievement made by Legend Holdings and its subsidiaries (“the Group”) in connection with ESG-related issues in the Reporting Period of 2023 to investors and other stakeholders.

The Report is released in both Traditional Chinese and English and is available on the websites of Legend Holdings (www.legendholdings.com.cn) and the Stock Exchange of Hong Kong Limited (“HKSE”) (www.hkexnews.hk) for downloading. Should there be any discrepancies between the two versions, the Traditional Chinese version shall prevail.

SCOPE OF THE REPORT

Considering the Environmental, Health, Safety and Quality (“EHSQ”) risks and financial materiality, the

Company has selected certain subsidiaries in different business segments and their property assets, which contribute over 90% to the total revenue of Legend Holdings, as the disclosure scope of the Report, including:

- Lenovo Group Limited (“Lenovo”, stock code: 00992)
- Banque Internationale à Luxembourg S.A.
- Levima Advanced Materials Corporation (stock code: 003022.SZ)
- Raycom Infotech Park jointly managed by Raycom Property Investment Co., Ltd. and Raycom Technology Co., Ltd.

The ESG performance of Legend Holdings and the above subsidiaries as well as their property assets (“the Company”) has been covered in the Report¹.

Names of Subsidiaries and Their Abbreviations in the Report

Subsidiaries	Abbreviations in the Report
Lenovo Group Limited	Lenovo
Banque Internationale à Luxembourg S.A.	BIL
Levima Advanced Materials Corporation	Levima Advanced Materials
Raycom Property Investment Co., Ltd. and Raycom Technology Co., Ltd. (including the Raycom Infotech Park, a property asset managed by the two companies)	Raycom

¹ Apart from this scope, the quantitative performance table – social performance in the Report covers Legend Holdings and its subsidiaries (excluding Lenovo) in the consolidated financial statements.

TIME RANGE

This annual report covers the period from January 1, 2023 to December 31, 2023. Part of the text information goes beyond this scope and is explained where relevant.

In compliance with the relevant explanation of HKSE², the content about the investee entity Lenovo in the Report is mainly extracted from its 2022/23 *Environmental, Social and Governance Report* and covers the period from April 1, 2022, to March 31, 2023, the same as its disclosure period³.

The “Reporting Period” in the body and Quantitative Performance Table of the Report always refers to the above period.

PREPARATION BASIS

The Report has been prepared in compliance with mandatory disclosure requirements and the “comply or explain” provisions in the *Environmental, Social and Governance Reporting Guide* (“HKSE Guide”) in Appendix C2 of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* issued by HKSE, the contents of which are indexed in the appendices to the Report.

DATA DECLARATION

All texts and quantitative data in the Report are sourced from the original records or financial statements of the Company’s actual operations.

All financial data in the Report are denominated in RMB. In case of any discrepancy between the financial data and the Company’s Annual Report, the Annual Report shall prevail.

The disclosed quantitative data of Lenovo comes from FY2022/23, which covers the period from April 1, 2022, to March 31, 2023.

² As what HKEX mentioned in section A5 of FAQs Concerning Environmental, Social and Governance Report, a relevant document of the HKEX *Guide*, “to avoid duplication, the issuer may cite the disclosures in the ESG report of its listed parent company/subsidiaries in its own ESG report through cross reference on the premise that each listed company has fulfilled its disclosure obligations in the *Guide*.”

³ The ESG information of Lenovo for the period from April 1, 2023 to December 31, 2023 will be disclosed in Lenovo’s 2023/24 *Environmental, Social and Governance Report*.

ABOUT THE REPORT

REPORTING PRINCIPLES

The Report has been prepared on the basis of the principles of the HKSE *Guide*, namely materiality, quantitative, balance and consistency, which are detailed as follows:

Materiality

The Company identified the operation-related material issues to the concern of investors and other stakeholders. These material issues are highlighted in the Report, with a focus on the industrial features of the Company's operation and the geographical features of its operational regions. For the analysis process and results, please refer to the "Materiality Analysis" section for details. In addition, the Report highlights the environmental, social and governance matters that may have a significant impact on investors and other stakeholders.

In terms of specific disclosure on material issues, the Company also adheres to the materiality principle by describing relevant companies or subsidiaries subject to the material impact of such issues and focusing on the progress of their management. For relevant information on subsidiaries beyond the organizational scope and the detailed risk factors and management policies and their effect on the subsidiaries covered by the Report, please refer to the announcements and documents released by such subsidiaries separately.

Quantitative and Consistency

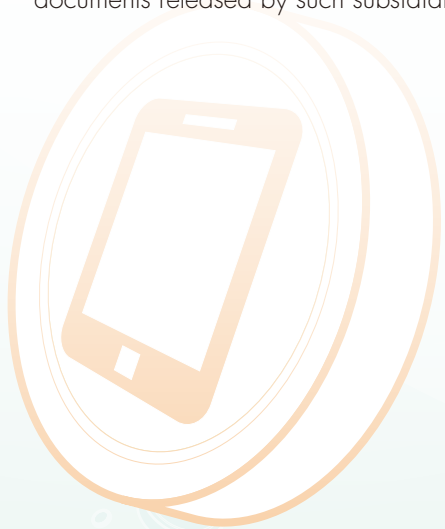
The Report discloses the key quantitative performance indicators and the historical data wherever possible. The Report collects statistics and discloses the same indicators during different reporting periods in a consistent manner. Whenever the collection or disclosure manner changes, such change will be explained clearly in the notes to the Report so that the stakeholders are permitted to conduct a reasonable analysis and thereby evaluate the ESG performance level and trend of the Company.

Balance

The Report reflects the objective facts and discloses both positive and negative information about the Company impartially. The Company retrieved the objects covered by the Report through open databases and found no major negative incident occurred during the Reporting Period that ought to be disclosed while not.

RELIABILITY ASSURANCE

There are no false records, misleading statements, or material omissions in the Report. The Board of Directors of the Company is fully responsible for overseeing the management and implementation of the Company's ESG-related policies.



CONTACT INFORMATION

Legend Holdings places significant emphasis on the opinions and feedback from stakeholders, using them as a foundation for ongoing enhancement of its ESG management and performance while continuously optimizing disclosure accordingly. Should there be any opinions or feedback, please feel free to contact the Company via:

Address: B-17, Raycom Infotech Park, No. 2 Ke Xue Yuan South Road, Haidian District, Beijing 100190

Telephone: 010-62509999

Fax: 010-62561056

Email: legendir@legendholdings.com.cn





ABOUT LEGEND HOLDINGS



ABOUT LEGEND HOLDINGS

COMPANY PROFILE

Legend Holdings Corporation was founded in 1984 by 11 researchers, including Mr. LIU Chuanzhi with funding from the Institute of Computing Technology of the Chinese Academy of Sciences. Over the course of more than 30 years, alongside China's economic development and social progress, the Company has evolved into an industrial operations and investments group deeply rooted in China. It serves the domestic market while engaging in international businesses. Legend Holdings was listed on the Main Board of the HKSE with stock code 03396 in 2015. Legend Holdings is ranked among the top 10 of the "Top 500 Private Enterprises in China in 2023" by the All-China Federation of Industry and Commerce.

- Company Name: Legend Holdings Corporation
- Headquarters: B-17, Raycom Infotech Park, No. 2 Ke Xue Yuan South Road, Haidian District, Beijing
- Stock Code: 03396
- Main Operating Locations: China, the United States and Luxembourg

Industrial Layout and Representative Enterprises

With the vision of "revitalizing the country through business", Legend Holdings focuses on technological innovation and the real economy, and has established two business segments which are "industrial operations" and "industrial incubations and investments." Through strategic management, operation improvement, resource allocation, financial support and value-added services, etc., the Company is committed to building industrial pillars, incubating or investing in start-ups and growing-stage companies with great potential to promote the continuous growth of the Company's overall value and win-win cooperation with portfolio companies and provide shareholders with long-term favorable returns, contributing to the high-quality development of China's economy.



Business Layout of Legend Holdings

Industrial Operations

Through practical resource allocation, effective management and control methods and extensive empowerment and capability building, Legend Holdings has established a group of leading companies in key industries to strengthen the Company's core competitiveness and build its industrial pillars.



Industry Incubations and Investments

Legend Holdings is oriented toward start-ups or growing-stage enterprises. Through incubation or direct and indirect investments, it supports the real economy, especially the development of technological innovation enterprises, by means of equity capital, financial support and management consulting resources.

Core Subsidiaries

- **Lenovo** is a global Fortune 500 company and a global leader in consumer, commercial and enterprise-level innovative technology, providing users with safe and high-quality product portfolios and services.
- **Levima Advanced Materials** is a supplier of advanced material products and solutions, focusing on the R&D, production and sales of advanced materials.
- **BIL** is the oldest comprehensive bank in the Grand Duchy of Luxembourg. It is headquartered in Luxembourg and has established an international service network that connects China (Beijing and the Greater Bay Area), Luxembourg and Switzerland. It is recognized as one of the Systemically Important Banks (SIBs) by the European Central Bank.
- **Joyvio Group** is an industrial investment platform for modern agri-food business of Legend Holdings. At present, it has established a leading global industrial platform in the fields of beverages, fruits, animal protein and branded packaged food, etc.

Major Enterprises

- **Listed Companies:** Fullhan Microelectronics, Lakala and Eastern Air Logistics (EAL)
- **Fund Management Companies:** Legend Capital, Legend Star and Hony Capital
- **Non-listed Companies:** Zhengqi Holdings, JC Finance & Leasing, Better Education, Shanghai Neuromedical Center, Hankou Bank, Hyundai Insurance, Bybo Dental, Raycom Property and Raycom Technology, etc.



ABOUT LEGEND HOLDINGS

Corporate Culture and Management Philosophy

With the mission of “empowering companies toward greatness”, the vision of “revitalizing the country through business, being committed to becoming a trusted and respected holding company with international influence and equity in leading enterprises in multiple industries” and the core values of “bearing in mind the overall situation and being pragmatic, ambitious and people-centric”, Legend Holdings carries out its cultural building and management and puts forward a series of methodologies and concrete manifestations of corporate culture which form a complete cultural system.

Our management philosophy can be summarized as “Three Elements of Leadership”: “Leading Group Building”, “Setting Strategies” and “Team Building”.

Management Philosophy of Legend Holdings

Leading Group Building

Competent and honest managers are selected to build a leading group, which formed a vertical and horizontal division of labor, advocating “Say Away” and “Keep Cool” to achieve rational decision-making through teamwork and in an efficient way. This would constrain the implementation of the top leaders and enhance the prestige of the leadership.

Setting Strategies

Depicting vision, clarifying strategy, setting strategies, decomposing tactics, determining leaders, adjusting organizational structure and developing assessment incentives are Legend’s “Seven Steps” to set strategies. However, this is not a simple step-by-step process and no step should be overemphasized. The process entails full consideration, systematical thinking, coordinated promotion.

Team Building

Team building means that the members should be motivated to take actions properly and orderly so as to ensure the implementation of strategies. Incentives and culture are the key to team building.



ESG MANAGEMENT SYSTEM

A sound ESG management system is imperative for the sustainable development of an enterprise. Based on the internal and external environment and current status of ESG management, the Company has established and continuously improved its ESG management system consisting of the sustainability strategy, governance structure, risk management and ESG targets, which improves the Company's ESG governance and management and efficaciously responds to the demands of stakeholders.

Sustainability Strategy

The Company integrates sustainability into each of its business segments, adopting a top-down and internal-to-external approach to embrace sustainability to facilitate the Company's sustainable development. In alignment with the key ESG issues to the concern of both internal and external sides, Legend Holdings has undertaken a comprehensive review and management of the Company's impact on the environment and society. A robust sustainability strategy has been formulated, focusing on five key areas: corporate governance, technological innovation, employee development, green and low-carbon growth and social welfare. This strategy is designed to meet the expectations and demands of investors, employees and other stakeholders.

Five Approaches of Legend Holdings to Achieving Sustainability



ABOUT LEGEND HOLDINGS

ESG Governance Structure

The Company incorporates the ESG concept into its operation and management, establishing the top-down ESG governance structure. As the Company's highest governing body of ESG matters, the Board of Directors of Legend Holdings is responsible for supervising the Company's ESG management and developing and reviewing the Company's sustainability strategies and goals. The Board of Directors leads and participates in the evaluation and determination of the Company's ESG-related risks to ensure the implementation and improvement of an appropriate and effective ESG risk management and internal supervision system.

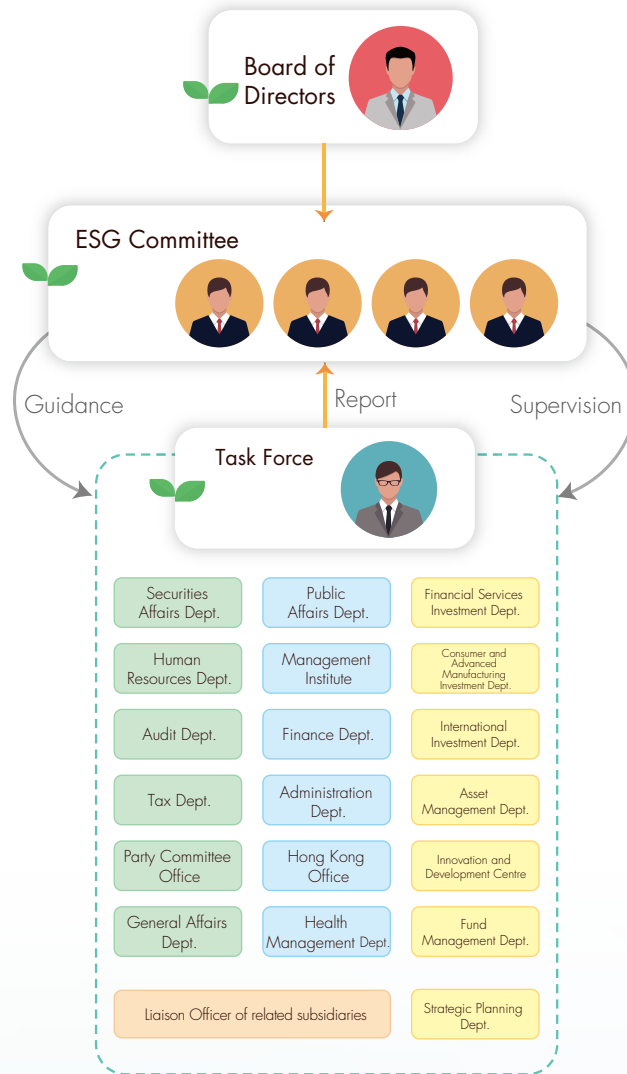
Legend Holdings has instituted a comprehensive ESG management system and operational mechanisms, establishing a robust foundation for the Company's sustainable growth. Led by the Board of Directors, Legend Holdings established the Environmental, Social and Governance Committee ("ESG Committee"), and released the *Working Rules of Legend Holdings ESG Committee*. The ESG Committee is responsible for assisting the Board of Directors in continuously discussing sustainable development trends of the domestic and overseas capital markets and peers, guiding and monitoring policies and goals related to the Company's ESG and sustainable development and reviewing the progress of issues and matters relating to sustainable development of the Company. Currently, the Committee consists of four Board members, namely Mr. MA Weihua (Independent Non-Executive Director), Mr. SUO Jishuan (Non-Executive Director), Mr. NING Min (Executive Director) and Mr. LI Peng (Executive Director). Mr. MA Weihua serves as the Chairman of the ESG Committee.

Furthermore, Legend Holdings has set up a Sustainable Development Task Force ("Task Force"). With the Secretary of the Board as the convenor, the Task Force is comprised of staff from all relevant departments of the Company and liaison officers from its subsidiaries. The Task Force reports the tracking, analysis and summarization of relevant work to the ESG Committee and material matters directly to the Board. Specific responsibilities include:

- Incorporating the ESG concept into the development and implementation of corporate strategies with innovative ideas and means;
- Offering advice on ESG strategies to the ESG Committee;
- Assisting in evaluating ESG risks and establishing a relevant reporting mechanism;
- Reporting ESG work to the Board and the ESG Committee;
- Communicating with stakeholders by way of questionnaires regarding major ESG issues;
- Collecting ESG materials and preparing ESG reports;
- Assisting in tracking, analyzing and summarizing the implementations of ESG targets;
- Other matters as authorized by the ESG Committee.



ESG Governance Structure of Legend Holdings







During the Reporting Period, Legend Holdings held a plenary session of the ESG Committee to deliberate upon the 2022 ESG Report of Legend Holdings, scrutinize the advancement in the established ESG targets, and mandate the Task Force to conduct investigations into carbon targets and the most recent standards for sustainability disclosures. Under the leadership of the Board and the ESG Committee together with the coordination of the Task Force, the relevant business departments of Legend Holdings and the subsidiaries have strictly abided by the relevant laws and regulations on sustainable development in the region where they operate in deciding on material issues, and have formulated relevant internal bylaws, policies, and procedures in accordance with international and local laws and regulations, industry standards and best practices and actively implemented all ESG policies and arrangements of the Company.

ABOUT LEGEND HOLDINGS



ESG Risk Management

During the Reporting Period, the Company continuously evaluated and identified ESG-related risks. The summary of the ESG-related risks and solutions are as follows (for details, please refer to *the 2023 Annual Report of Legend Holdings*):

ESG-related Risks	Potential Impact on the Company	Solutions
<p>Supply risk</p> 	<p>The complex supply chains of our subsidiaries may likely be prone to hidden and uncontrollable ESG-related risks, including:</p> <ul style="list-style-type: none"> The laws and regulatory standards of the countries in which indirect suppliers of the Company's subsidiaries may not be sound enough and thus products may not be sold in the country in which the purchaser locates as such products fails to meet the regulatory standards thereat. Violation by any supplier (whether direct or indirect) may damage the reputation of our subsidiaries and the operation of the supply chain or even result in revocation of business licenses. As ESG is becoming an increasingly important consideration in customers' purchasing decisions, our subsidiaries may lose customers who value ESG factors such as suppliers' codes of conduct and environmental impact. 	<ul style="list-style-type: none"> Our subsidiaries are committed to practicing ESG throughout the entire supply chain. A system backed by contractual obligations has been developed to ensure that suppliers will observe all applicable standards regarding labor, environment, health, safety, and ethics. As members of Responsible Business Alliance (RBA), they will join hands with other players in electronic industry to address issues concerning the supply chain and promote the use of RBA standards at all levels of suppliers while maintaining compliance through independent audits. To further optimize the due diligence work for their supply chains, our subsidiaries also use EcoVadis ESG Risk Management Platform and the sustainable assessment tools integrated into suppliers' management practices. The supplier appraisal, risk identification, improvement suggestion, and progress report provided through the integration can bring forth improvement on an annual basis.
<p>Environmental security risks</p> 	<ul style="list-style-type: none"> The advanced material industry in which the Company's subsidiaries operate is strictly regulated by the country in terms of environmental protection. As China accelerates the transformation of economic growth and promotes high-quality development, environmental protection awareness has been continuously enhanced and our subsidiaries have to comply with more stringent regulatory requirements. 	<ul style="list-style-type: none"> Our subsidiaries adhere to the national environmental protection policy, and the pollutant discharge compliance rate has maintained 100% for many consecutive years since they become operational. In addition to increasing investment in energy conservation and environmental protection to ensure normal operations and timely upgrading of existing environmental protection facilities, we shall also continue to optimize the production processes and apply green environmental protection technologies. Facing the potential environmental pollution and natural disasters, our subsidiaries have purchased commercial insurance to forestall and defuse those risks.

ESG-related Risks	Potential Impact on the Company	Solutions
<p>Extreme climate change risks</p> 	<ul style="list-style-type: none"> Continued global warming is causing global sea water to heat up, thereby affecting salmon farming environments and potentially causing more red tides and epidemics. In comparison, Region 12 in Chile, where the subsidiary is focusing its investment and development efforts, is the coldest region in Chile and the least affected by red tides, and at the same time is less affected by warming. If an extreme climate change risk event occurs, the performance of some companies invested by the Group's funds, especially those in the fields of fresh food logistics, consumer catering, tourism, offline services, and manufacturing, will be impacted to a certain extent, with the risk of valuation fluctuations, which will affect the exit process. 	<ul style="list-style-type: none"> Subsidiaries utilize artificial intelligence, machine vision and other advanced farming and monitoring technologies to continuously improve precision farming, which can effectively respond to disasters such as red tides and epidemics. We adopt proactive post-investment management, closely monitor the development trend of extreme climate change, and urge investee companies to conduct stress tests and prepare contingency plans to minimize the related impacts as much as possible.
<p>Risk on cyber-attack and security</p> 	<ul style="list-style-type: none"> Legend Holdings and its subsidiaries may face cyber-attacks or other attacks on their data security or similar circumstances. This may result in loss of data or misappropriation of proprietary and confidential data, which causes disrupted operations and damaged reputation. Breaches of the security rules and failure to deal effectively and in a timely manner with the misappropriation of sensitive proprietary and confidential data of the Group, its customers and employees may result in a loss of customer confidence, damage to the Group's reputation, disruption to its businesses, exposure to potential litigation and liabilities, lower revenues and increased costs. 	<ul style="list-style-type: none"> Formulation of sound policies, robust incident response plans and processes, business continuity plan, and training of our employees to comply with vital data protection requirement based on important data protection practices. Also, we develop and maintain a cybersecurity risk governance and compliance plan as well as an information security culture. Ongoing risk assessment and process improvement, enhanced cyber security controls and information security, product security and privacy protection awareness. Compliance with mandatory privacy and security standards and protocols required by laws, regulations, industry standards, or contractual obligations. To ensure that hardware, operating systems, product software and applications that our subsidiaries produce or procure from third parties protect and use customer data in a responsible manner.

ABOUT LEGEND HOLDINGS

ESG-related Risks	Potential Impact on the Company	Solutions
<p>Risk on intellectual property</p> 	<ul style="list-style-type: none"> • If the subsidiaries cannot develop and protect their own intellectual properties, or their suppliers cannot develop or protect relevant technologies or obtain any necessary technology licenses, the subsidiaries will be exposed to risks of increased business costs, litigation and damaged reputation. 	<ul style="list-style-type: none"> • Take appropriate legal measures to protect proprietary technologies and trade secrets, apply for and enforce patents, and register and protect trademarks and copyrights. • Delegate intellectual properties as appropriate and monitor the validity and values of the intellectual properties to the Company's subsidiaries. • Obtain intellectual properties indemnifications from suppliers, or otherwise transfer the responsibility to protect the intellectual properties to suppliers. • Develop, execute and monitor IP litigation defense strategy. • Continue to develop and use the patent portfolio of our subsidiaries if appropriate to reduce potential costs. • Cooperate with other technology/product companies, and recommend patent system reform to reduce costs.
<p>Compliance risk</p> 	<ul style="list-style-type: none"> • Legend Holdings and its subsidiaries and their employees may be subject to legal obligations, regulatory penalties, financial or reputation losses due to operations, management or practices in violation of regulations. • A number of laws, regulations and policies related to financial and fund management have been introduced by relevant departments in China and the supervisions from industry regulatory bodies have become increasingly stringent. All these may restrict the operation of the subsidiaries and increase compliance costs, and in turn may have impact on our financial performance. 	<ul style="list-style-type: none"> • Consistently and closely monitor compliance policy adjustment, and put increasing emphasis on the research and understanding of the latest laws, regulations and regulatory policies. • Strengthen the review of the effectiveness of the Company's internal control and risk management. • Improve and implement the accountability mechanism and strengthen the supervisions and punishment of violations. • Consult compliance advisors and internal and external lawyers about compliance matters to adjust compliant corporate development paths in timely response to relevant changes.



ESG Target Management

In order to further enhance the Company’s ESG governance and management efficiency, the Company formulated and implemented a series of short-, medium- and long-term ESG targets during the Reporting Period, as detailed in the table below.

The Company’s ESG targets for 2023

Legend Holdings

Corporate Governance

Increase the level of diversity and gradually increase the number of female members on the Board to at least two by the end of 2030.

1	≥2	50%
2022	2030	

Emission and Waste Management

By 2025, promote the proportion of office premises where waste separation is implemented at the overall level of Legend Holdings to 100%.

100%	2023
100%	2025

Maintain 100% hazardous waste compliance disposal rate at the overall level of Legend Holdings by 2025.

100%	2023
100%	2025

Corporate Governance Target

Social Target

Environment Target

Social Welfare Investment

Response to the policy of common prosperity and rural revitalization, continue to increase our investment in social welfare in the areas of science and technology innovation, education of talents, promotion of righteousness and support for entrepreneurship.

Resource Management

By 2025, not increase its water consumption per unit at the overall level of Legend Holdings by more than 5% from 2021, striving to achieve a 5% reduction from 2021.

Raycom

Energy Management

By 2024, achieve a reduction of more than 9.9% in electricity consumption in the common areas of Raycom Infotech Park compared to 2018.

-13%	2023
-9.9%	2024

By 2024, achieve a reduction in gas use of over 32% compared to 2018.

-34.5%	2023
-32%	2024

By 2024, achieve a reduction of more than 35% in the amount of heat used for municipal heating compared to 2018.

-36%	2023
-35%	2024

GHG Emissions

By 2024, reduce total GHG emissions by more than 11.84% compared to 2018.

-14.7%	2023
-11.84%	2024

Employee Training & Development

By 2024, conduct 3 legal training and 1 corporate culture training.

3 legal training + 1 corporate culture training

4 skills training

2023

2024

Emission and Waste Management

By 2024, achieve a recycling ratio of over 90% of reusable resources through sorting and recycling measures.

≥90%	2023
≥90%	2024

By 2024, continue to achieve 100% recycling and dedicated consumption of waste mercury-containing lamps, toner/ink cartridges and used batteries.

100%	2023
100%	2024

BIL

Responsible Investment

Green, social and sustainable bonds account for at least 30% of sustainable portfolios by the end of 2025.

21%	≥30%
2023	2025

Energy Management

From 2023 onwards, the total annual operational carbon footprint will decrease by 2% compared to the previous year.

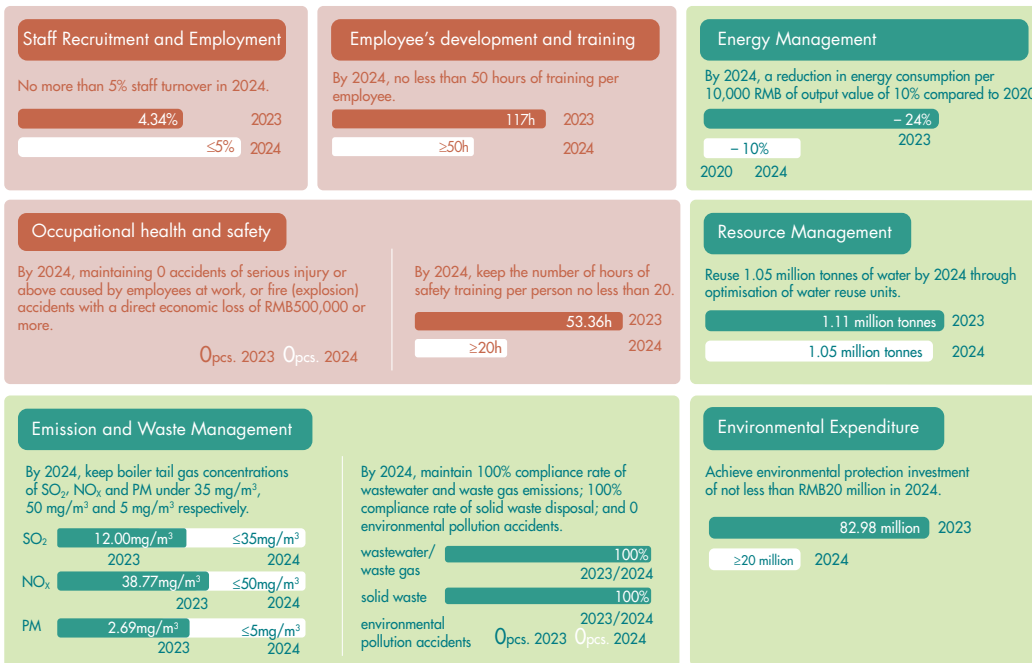
-10%	2023
≥-2%	2024

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ABOUT LEGEND HOLDINGS

Levima
Advanced
Materials



Note: Lenovo's targets can be found in the "Long-term KPI progress" section of its 2022/23 ESG report.

MANAGEMENT OF MATERIAL ISSUES

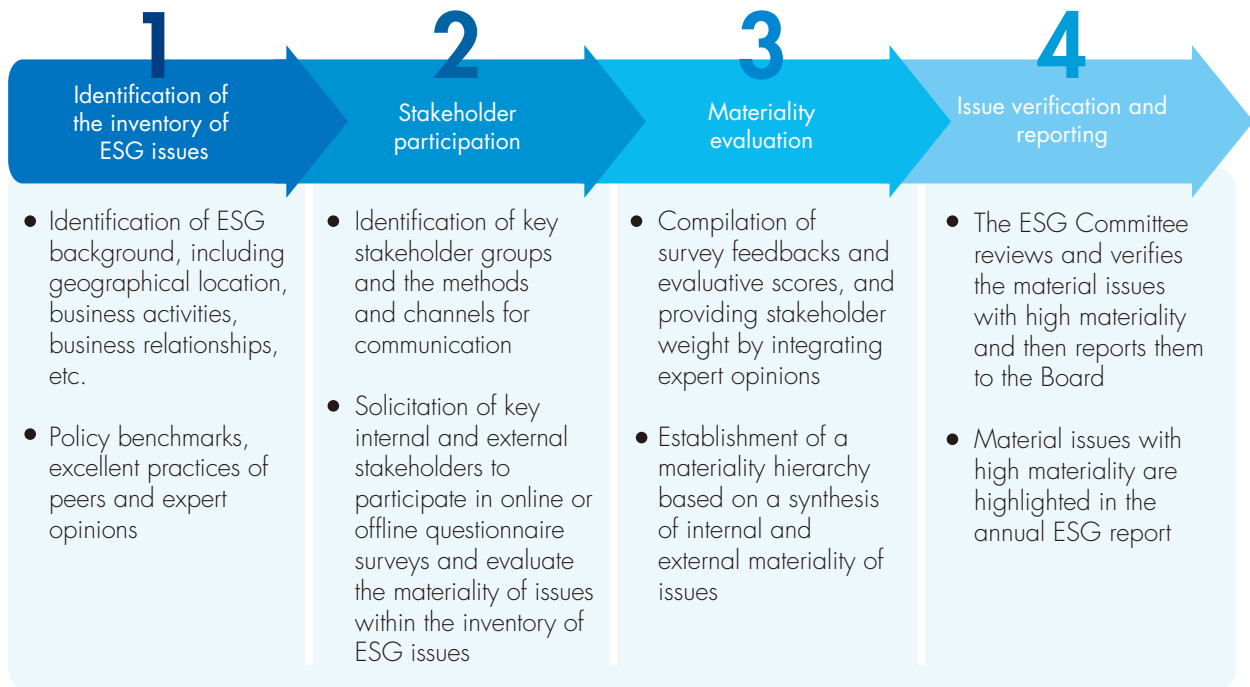
Material issue management serves as a pivotal foundation for the Company's sustainable development endeavors. The Company regularly undertakes the identification and analysis of material issues, communicates with the internal and external stakeholders on ESG-related material issues, fully understands their needs and listens to their opinions and advice. During the Reporting Period, the Company revised its material issues based on an evaluation in alignment with domestic and international regulatory frameworks in operating locations and excellent practices of peers and through stakeholder questionnaire survey results and expert analysis.

Analysis of Material Issues

Legend Holdings has formed an inventory of issues based on its business profiles and its impact on stakeholders, domestic and international ESG-related policies and regulations, the latest guidelines of the stock exchanges, the areas of interest to rating agencies like the Hang Seng Corporate Sustainability Indexes, and excellent ESG management practices observed among industry peers. Legend Holdings conducted stakeholder surveys and dynamically adjusted the identification and ranking results of material issues in combination with opinions of external experts.



Process of Materiality Analysis



In the Reporting Period, Legend Holdings made the materiality analysis in accordance with the above process, adjusting the materiality of certain issues and dividing some issues to facilitate more focused management aligned with the Company’s businesses.

Main Changes to Material Issues in 2023

Material issues in 2022	Material issues in 2023	Adjustment explanation
Energy Management	Energy Management	Enhanced materiality. Based on the results of material issue surveys and analysis, energy management was elevated to a high materiality issue.
Resource Management	Water Resource Management Raw Materials and Green Packaging	Divided the issue. To reflect the company’s specific business operations, the category of “Resource Management” has been subdivided into “Water Resource Management” and “Raw Materials and Green Packaging”.

Legend Holdings conducted a thorough analysis, taking into account benchmarking outcomes, stakeholder research, and input from external experts. Priorities were set based on the significance to the Company’s business and the impact on stakeholders. Upon the review and verification of the ESG Committee, the ranking of Material Issues in 2023 and the high materiality issues requiring key management were determined.

ABOUT LEGEND HOLDINGS

List of Material Issues in 2023







Materiality	Environmental	Social	Governance
High	<ul style="list-style-type: none"> • Sustainable Products • Emission and Waste Management • Climate Change Adaptation and Mitigation • Energy Management 	<ul style="list-style-type: none"> • Product and Service Quality Management • Occupational Health and Safety • Information Security and Privacy Protection • Responsible Investments • Innovation and R&D • Intellectual Property Protection • Employee Rights and Benefits • Diversity and Equal Opportunity 	<ul style="list-style-type: none"> • Compliance Management • Protection of Investors' Rights • Business Ethics • Risk Management • Corporate Governance
Medium	<ul style="list-style-type: none"> • Raw Materials and Green Packaging • Water Resource Management • Biodiversity Conservation 	<ul style="list-style-type: none"> • Social Welfare • Sustainable Supply Chain Management • Employee Training and Development 	

Communication with Stakeholders

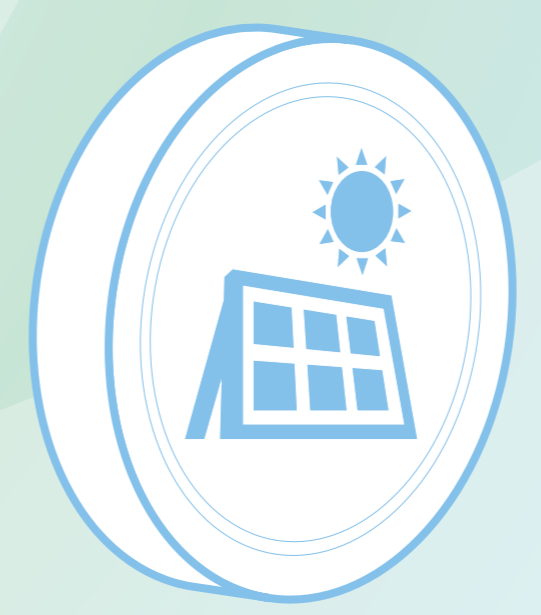
The Company has implemented regular communication mechanisms to gain insights into the perspectives and expectations of key stakeholders. Through targeted exchanges and responses, it aims to foster long-term relationships and mutual trust with all stakeholders. The Company identifies and reviews the potential impacts of business and operation links and relevant activities on key stakeholders. The Company maintains close contact with each stakeholder and their representatives through various communication channels such as questionnaires, performance evaluations, and business exchanges to listen to their feedback, thus enhancing sustainability management.



Key Stakeholders and Communication Channels

Key stakeholders	Representatives of stakeholders	Major communication channels
Board and management 	Members of the Board, CEO, and department managers	<ul style="list-style-type: none"> • Board meetings • Administrative meetings • Communication via email and telephone
Employees (excluding the management) 	Representatives of the Labor Union and the congress of workers and staff and other worker representatives serving the Company	<ul style="list-style-type: none"> • Employee activities • Themed training • Congress of workers and staff • New employee orientations • Employee engagement and satisfactory survey • "Progress email" column
Shareholders/Investors 	Domestic and overseas shareholders and key financial investors	<ul style="list-style-type: none"> • General meetings • Investors' roadshows • Annual and interim reports • Communication via email and telephone
Suppliers and partners 	Key manufacturing/non-manufacturing suppliers, industrial associations and chambers, standardization working teams and university partners	<ul style="list-style-type: none"> • Communication meetings • Supplier evaluations • Bid invitation and procurement procedures
Customers 	Key customers of subsidiaries	<ul style="list-style-type: none"> • Customer service hotline • The Company's official website • Social media, e.g., official WeChat account
Community representatives 	Non-governmental organizations, non-profit organizations and other social organizations, official media and key we-media at the Company's operating places	<ul style="list-style-type: none"> • Volunteer services • Themed activities • Charity and donation projects • The Company's official website • Social media, e.g., official WeChat account

FORTIFY THE FOUNDATION, BUILDING A COMPLIANCE GOVERNANCE SYSTEM



1. FORTIFY THE FOUNDATION, BUILDING A COMPLIANCE GOVERNANCE SYSTEM

A sound governance system is the cornerstone of our sustainable development. The Company adheres to integrity management, strictly abides by business ethics and sticks to compliance operations. The Company is dedicated to improving its corporate governance system and strengthening its risk response capabilities to drive high-quality and sustainable development.

laws and regulations of the overseas operating places. A transparent, robust, and efficacious corporate governance system has been established. The Company is governed comprehensively through a tri-level mechanism encompassing the General Meeting, the Board of Directors, and special committees, safeguarding the precision and methodological integrity of corporate governance resolutions.

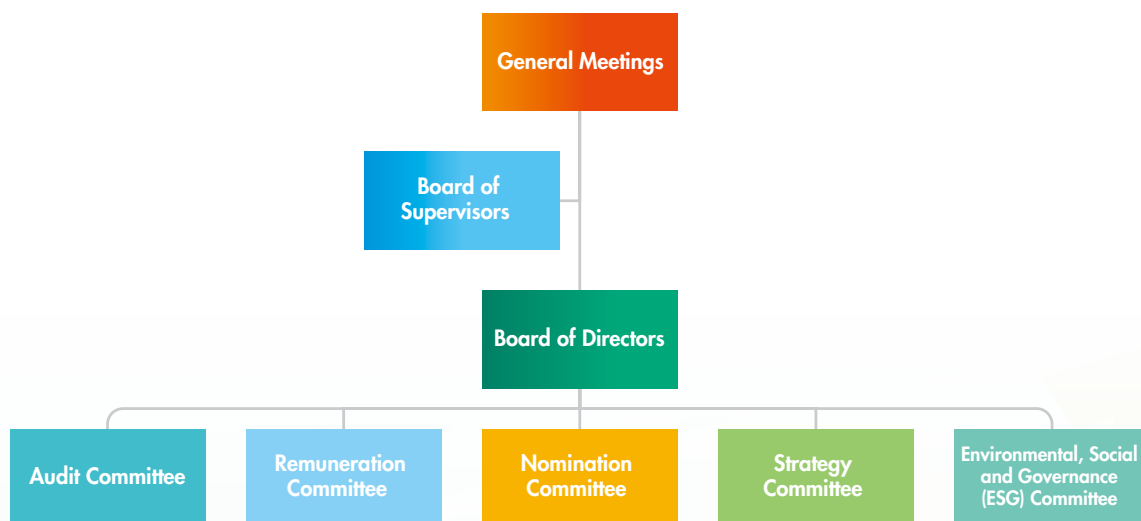
CORPORATE GOVERNANCE

Corporate Governance Structure

The Company strictly abides by the *Company Law of the People's Republic of China*, the *Codes of Corporate Governance*, Appendix C1 of the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* and relevant local

By formulating the *Articles of Association*, Legend Holdings elects and replaces directors (including non-executive directors) through the general meetings. The directors have a tenure of three years. The Board is responsible for developing and monitoring the development strategies and supervising the effectiveness of Legend Holdings' internal control and risk management, ensuring its stable and lasting operation.

Corporate Governance Structure of Legend Holdings



Legend Holdings’ Board of Directors has established five special committees, including the Audit Committee, the Remuneration Committee, the Nomination Committee, the Strategy Committee and the Environmental, Social and Governance (ESG) Committee, which are responsible for supervising the Company’s matters from different perspectives.

Responsibilities of Special Committees under the Board of Legend Holdings

Special Committees	Responsibilities
Audit Committee	<ul style="list-style-type: none"> Oversee the truthfulness and completeness of financial reporting, the effectiveness of risk management and internal control systems, the effectiveness of the internal audit function, regularly review the Company’s financial reports, and monitor annual audits, etc. Two-thirds of members are independent non-executive directors.
Remuneration Committee	<ul style="list-style-type: none"> Conduct research on the remuneration strategy and policy, performance evaluation and incentive mechanisms for the Company’s directors, supervisors and senior executives and other affairs related to remuneration, and give advice to the Board of Directors. Two-thirds of members are independent non-executive directors.
Nomination Committee	<ul style="list-style-type: none"> Offer advice on the nomination, renomination, and succession planning of directors, review the Board’s structure, size, composition, and the Diversity Policy for Board Members, evaluate the independence of independent non-executive directors, and fulfill related responsibilities of corporate governance functions of the Board. Two-thirds of members are independent non-executive directors.
Strategy Committee	<ul style="list-style-type: none"> Conduct research on and review the Company’s middle- and long-term development strategies and plans, major investment and financing plans, major capital operation projects, etc.
ESG Committee	<ul style="list-style-type: none"> Conduct research on the Company’s ESG vision, strategies and policies, supervise the development and implementation of ESG targets, regularly review the feasibility of the ESG targets based on the report of the ESG Task Force, track the domestic and foreign ESG development trends, identify the Company’s ESG risks and opportunities, report the above work to the Board of Directors and offer appropriate advice. One-fourth of members are independent non-executive directors.



1. FORTIFY THE FOUNDATION, BUILDING A COMPLIANCE GOVERNANCE SYSTEM

Board Diversity

The Company adheres to the basic principles of “electing by ability” and “creating value for the Company and shareholders” when deciding on and optimizing the Board composition. Legend Holdings formulates the *Diversity Policy for Board Members* and takes into account its business modes and strategic and specific demands in evaluating the background of the Board members, including but not limited to gender, age, cultural and educational background, race, professional experience, skills, knowledge and service term.

The Nomination Committee holds at least one meeting a year to supervise the *Diversity Policy for Board*

Members and its effectiveness and evaluate the Board structure, size and composition in periods covered, how well the skills, knowledge and experience of Board members are, and ensure that the policy matches the Company’s operating status, asset size and shareholding structure in order to improve the Board’s review and decision quality and fully fulfill its functions.

To promote the gender balance among Board members and improve the Company’s governance, the Company has set a diversity target of “increasing the number of female members on the Board to at least two by the end of 2030”, and continues to carry out candidate selection and nomination.

Board Composition and Meetings of Legend Holdings in 2023

Board Composition	
Nine directors from the Board	Two executive directors
	Four non-executive directors
	Three independent non-executive directors, with one female director among them
Meetings	
Four general meetings	Four Board meetings Eight meetings of the committees under the Board Two meetings of the Board of Supervisors

Investor Relations and Communication

The Company is committed to fostering clear, timely, and efficacious communications with the Company's shareholders and potential investors, protecting the lawful rights of shareholders and safeguarding equal rights for minority shareholders. Legend Holdings has formulated the *Shareholders' Communication Policy* and regularly convenes and holds general meetings, encouraging the shareholders to inquire the current status of the Company and review the major resolutions, institutes mechanisms for shareholders to provide resolutions, advice, and queries to the Board, safeguarding the shareholders' rights to know the laws and regulations with an impact on the Company's operation and participate in the major matters stipulated in the *Articles of Association*.

The Company has established an investor relation team, set up communication channels, including communication hotline, email and official website, and continuously enhanced the communication and interaction with investors through performance release conferences, non-transactional roadshows and the research of analysts and investors. The Company keeps pace with business evolution and enhances the frequency of informational updates to ensure that the shareholders and potential investors can be informed of the Company's business progress in time. During the Reporting Period, the Company facilitated several ESG

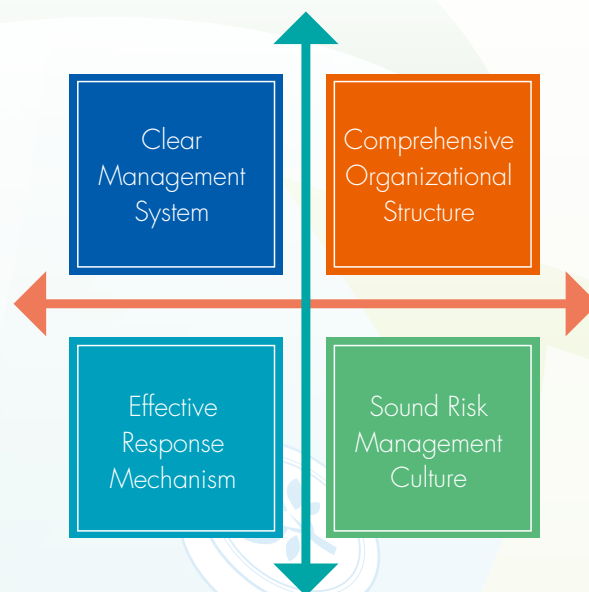
reverse roadshows and other communication activities, proactively addressing the investment community's concerns, thoroughly showcasing the endeavors of the Company in intelligent transformation, research and development innovation, and green and low-carbon practices, thereby significantly boosting investor confidence.

In addition, the Company has continuously standardized the information disclosure acts, enhanced the information disclosure management, and formulated the *Information Disclosure Management System* and the *Code of Ethics for Employees* to specify the scope, contents, form, internal review process and procedure of information disclosure as well as employees' responsibilities, and organized relevant training for the Company's employees to ensure the standard and effective information disclosure.

COMPREHENSIVE RISK MANAGEMENT

The Company has continuously reinforced its risk management ability and set up the appropriate risk management system, which covers the main business segments of Legend Holdings and important management links of supporting segments, with the objective of optimally safeguarding the Company's operations, shareholders, assets, and capitals.

Risk Management System of Legend Holdings



1. FORTIFY THE FOUNDATION, BUILDING A COMPLIANCE GOVERNANCE SYSTEM

The Company makes unremitting efforts to enhance its capabilities in risk prevention. It has formulated the *Risk Management and Internal Control System* to specify the overall targets and strategies of risk management and determine the risk preferences and risk tolerance, selected the appropriate risk management tools and reasonably allocated human resources and funds to implement risk management, ensuring the robust and efficient operation of the Company's risk management system.

The Company has a comprehensive and systematic organizational structure for risk management. The Board is responsible for assessing and determining the nature and extent of risks to which the Company is capable of responding in order to achieve its strategic objectives and is responsible for establishing and maintaining an appropriate and effective risk management and internal control system, and through the Audit Committee, overseeing and monitoring the overall effectiveness of the system. The management is responsible for designing, implementing, and reviewing the risk management framework and system, and reports to the Board of Directors and the

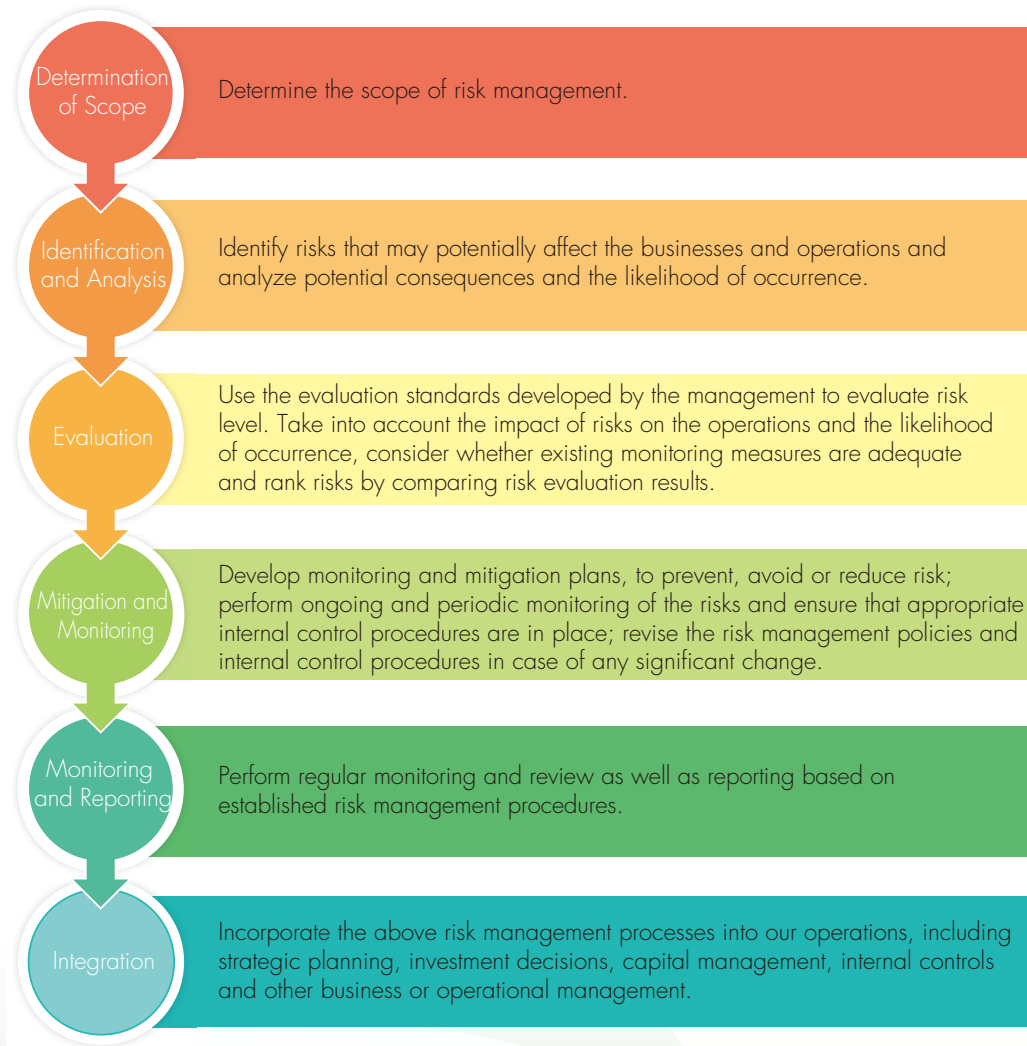
Audit Committee on the effectiveness of the system every six months. The Audit Department adopts a risk-based approach, focusing on areas where there are significant risks or where significant risk changes have been made, and provides independent assurance to the Audit Committee on the adequacy and effectiveness of internal controls. The Audit Department reports to the Chairman of the Board regularly and to the Audit Committee quarterly, develops rectification and improvement plans with all departments and subsidiaries of the Company for identified issues and deficiencies, and follows up on the implementation of the proposals.

As regards the risk management response mechanism, the Company implements the risk management and internal control framework guided by COSO (Committee of Sponsoring Organizations of the Treadway Commission), establishes three lines of defense covering Legend Holdings and its subsidiaries and ensures the effectiveness of the risk management by means of risk identification, evaluation and management procedures, and regular monitoring and review.

Three Lines of Defense for Risk Management and Internal Monitoring of Legend Holdings

Defense line	For businesses of Legend Holdings	For businesses of subsidiaries	Duties
1st Line of Defense	Business departments	Subsidiaries	Integrate risk management concepts and measures into the daily business processes and prevent and control specific business risks.
2nd Line of Defense	Relevant functional departments	Business departments and relevant functional departments	Organize and promote risk management activities, identify and supervise risk management and monitoring activities in the course of businesses and operations.
3rd Line of Defense	Audit Department	Audit Department	Monitor and evaluate the effectiveness of risk management and identify areas for improvement.

Risk Identification, Assessment and Management Procedures



The Company reviews the effectiveness of its risk management and internal control systems annually, encompassing management's opinions and the Audit Department's audit findings for the entire financial year, and discloses the details of its risk management and internal control during the Reporting Period in the *Corporate Governance Report*.

1. FORTIFY THE FOUNDATION, BUILDING A COMPLIANCE GOVERNANCE SYSTEM

In terms of building risk management culture, the Company is dedicated to elevating the awareness and competencies of all its staff in shouldering risk management responsibilities conscientiously and enhancing the risk control awareness and analytical ability of risk management personnel. During the Reporting Period, Legend Holdings carried out 5 risk-control training sessions for its subsidiaries.

Key Risk Management Actions of Legend Holdings' Subsidiaries

Lenovo	<ul style="list-style-type: none"> Outline all types of business risks in formal enterprise risk management procedures, stipulate that each business division must identify various risks (including ESG risks), evaluate the impact of such risks on the strategy execution and thereby formulate the risk mitigation actions.
Levima Advanced Materials	<ul style="list-style-type: none"> Organize comprehensive emergency rehearsal, special emergency rehearsal and on-site emergency rehearsal plan annually. Standardize emergency response procedures, clarify the responsibilities of emergency response personnel at all levels and continuously improve emergency handling capabilities. Actively develop a dual accident prevention system of "tiered risk control and hazard identification and governance" and establish a secure information system, incorporating modules dedicated to risk and hazard management, among other functionalities. Revise the <i>Confidentiality Management Measures</i>, coordinate with business units to compile the <i>Confidentiality List</i>, and summarize confidentiality measures. Designate confidential zones for critical production facilities to mitigate the risk of information leaks.
BIL	<ul style="list-style-type: none"> Disclose the <i>BIL Risk Report Pillar 3</i> and the <i>Environmental/Social/Governance Risk Cartography</i> every year, which identify the materiality of different internal risks, delineate the transmission pathways of medium-and long-term climate-related risks across financial and non-financial sectors, and continue to promote the sustainable loan practices and sustainable investments. Establish the <i>Sustainability Risk Policy</i>, implement periodic risk prevention measures and closely track the implementation progress to ensure the identification, continuous monitoring and management of risks. Manage the credit portfolio dynamically, adhere to the "Credit Risk and Expected Credit Losses" roadmap, maintain adequate reserves, improve the identification of vulnerable customers, and introduce the customer ESG risk evaluation to address credit risk concerns. Employ ESG stress testing scenarios for the first time to identify potential risks and anticipate the impacts of ESG-driven factors on credit, market, liquidity and non-financial risks.

BUSINESS ETHICS

Mechanism Establishment

The Company is committed to establishing a good atmosphere of integrity and diligence for its businesses, and strictly abides by the *Anti-Money Laundering Law of the People’s Republic of China*, the *Anti-Unfair Competition Law of the People’s Republic of China*, the *Anti-monopoly Law of the People’s Republic of China*, the *Interim Provisions on Banning Commercial Bribery* and other laws and regulations related to prevention of bribery, fraud, money-laundering and unfair competition, etc., applicable to the People’s Republic of China and other countries and regions where the Company operates businesses or makes investments. The Company has zero tolerance for any form of bribery and corruption.

Legend Holdings attaches great importance to preventing the risk of violations, and has formulated and continuously improves the *Anti-Fraud Management Policy*, the *Code of Ethics for Employees* and other management rules to strictly regulate the relevant behaviours of the staff of Legend Holdings. It strives to gradually improve the systematic management of anti-fraud efforts throughout the process of prevention, control, and accountability before, during, and after a violation. It also requires its subsidiaries to operate in accordance with the laws and regulations based on ethics and integrity and improve their anti-fraud work systems to guard against corruption at all levels.

Business Ethics-related Systems of Legend Holdings’ Subsidiaries

Lenovo	The <i>Code of Conduct</i> (covering policies related to anti-corruption and anti-bribery, unfair competition and fair competition, etc.)
Levima Advanced Materials	The <i>Anti-fraud Management Measures</i>
BIL	The <i>Anti-bribery and Corruption Charter</i> , the <i>Financial Crime Prevention Regulations</i> , the <i>BIL Group Code of Conduct</i> , and the <i>Code of Ethics</i>



1. FORTIFY THE FOUNDATION, BUILDING A COMPLIANCE GOVERNANCE SYSTEM

On this basis, Legend Holdings has incorporated clean cooperation into daily contract management as a requirement, and added the *Clean Cooperation Agreement* and whistle-blowing channels, etc., to procurement contracts, explicitly mandating partners to uphold honesty and integrity, and not to conduct illegal and irregular behaviours.

In terms of anti-unfair competition, the Company is committed to competing in a legitimate and ethical manner. Lenovo prohibits employees from participating in unfair competitions, including signing agreements or participating in similar discussions with competitors that lead to monopolistic practices such as price cartels, restricting the supply of products or services, or boycotting a certain client or supplier.

Corporate Culture Building

The Company attaches great importance to the construction of a corporate culture championing business ethics and promotes integrity and honesty as part of its corporate culture to ensure that employees adhere to business ethics and have the corresponding competency. All new employees of Legend Holdings are required to participate in training related to themes such as professional ethics and code of conduct, honesty and integrity and continuously develop stronger integrity awareness with the help of legal compliance workshops, anti-corruption storytelling videos, anti-corruption reading materials, and case study summaries. Legend Holdings also requests all employees to sign the *Integrity Commitment Letter*.

Subsidiaries carry out business ethics-themed training sessions that are rich in content and of distinct features, covering directors, supervisors, senior leadership, and other relevant employees.

Overview of Business Ethics Training of Legend Holdings' Subsidiaries in 2023

<p>Lenovo</p>	<ul style="list-style-type: none"> • Internal system training on the <i>Industry Standards</i> was provided to all new employees, and daily training sessions on the requirements and approval processes related to gifts, hospitality and travel policy were conducted. Guidance on adhering to global anti-bribery and anti-corruption regulations and laws was provided. • During the Reporting Period, 97% of Lenovo employees with access to the Grow@Lenovo remote learning system completed mandatory remote anti-bribery and anti-corruption courses. • Twenty-one sessions covering fundamental anti-corruption knowledge and anti-corruption case studies, etc., were held, reaching 11,000 employees in China. • Anti-corruption and anti-bribery training sessions tailored for the Board of Directors and senior leadership team were conducted.
<p>Levima Advanced Materials</p>	<ul style="list-style-type: none"> • The "Corporate Compliance and Integrity and Self-discipline" course was launched on the internal online training platform. The training video lasts approximately 80 minutes and is compulsory for all employees. The content covers laws and regulations relevant to the company's operations and integrity and self-discipline risks in practical work scenarios and provides case studies for discussion.
<p>BIL</p>	<ul style="list-style-type: none"> • Directors and employees at all levels are trained on a targeted basis. All employees must comprehensively understand the regulations of the <i>BIL Group Code of Conduct</i> and fulfill their job responsibilities. • New employees are required to undergo training on business conduct. Employee trainings are organized once every three years. • Online training sessions on the whistle-blowing processes outlined in the <i>Code of Ethics</i> were conducted.

1. FORTIFY THE FOUNDATION, BUILDING A COMPLIANCE GOVERNANCE SYSTEM

Whistle-blowing Management

The Company continuously strengthens the discovery and identification of risk matters, carries out investigation and verification of fraud clues on the basis of independence, legality and impartiality, and deals with irregularities and violations in accordance with relevant regulations. The Company keeps whistle-blowers and the content reported strictly confidential, prohibits any form of retaliation against whistle-blowers and related personnel, develops protection measures and establishes accountability mechanisms.

Legend Holdings has formulated the *Anti-fraud Management Policy* to specify the whistle-blowing, investigation and reporting procedures and the whistle-blower protection policy. Legend Holdings has set up a variety of whistle-blowing channels, such as email, hotline, official website and official WeChat account, to encourage employees, clients, suppliers and other third-party entities to report actions that may be in violation of business ethics, laws and regulations, corporate code of conduct or other pertinent policies.

Whistleblower Protection	Encouragement of Real-name Whistleblowing	Reward after Verification	Scope of Acceptance
<ul style="list-style-type: none"> Legend Holdings promises to protect whistle-blowers and to keep the contents of the report strictly confidential. Any form of retaliation against whistle-blowers is strictly forbidden, and the Company will hold relevant personnel accountable if retaliation exists. 	<ul style="list-style-type: none"> Whistle-blowers can choose to report in real name or anonymously, Legend Holdings encourages real-name reporting. Reporting shall be based on facts, and false accusations and defamation shall be prohibited. To ensure that the reporting is followed up in a timely manner, detailed information shall be provided. 	<ul style="list-style-type: none"> Whistle-blowers shall be rewarded based on such factors as the efficacy of the information provided, the nature and the severity of the case, and the direct losses recovered by Legend Holdings. 	<ul style="list-style-type: none"> Reporting of illegal and undisciplined behaviours of employees who misappropriate or damage the interests of the Company, including soliciting and accepting bribes, falsifying, the abuse of power for personal gain and other malpractices for selfish ends; leaking or using confidential information of the Company in violation of the law; engaging in a second career without the Company's permission, etc. Other enquiries and complaints concerning products, services, quality, personnel relationship disputes and other issues are not covered by this platform.

Whistle-blowing Channels of Legend Holdings on Business Ethics Compliance

Whistle-blowing e-mail: AF@legendholdings.com.cn

Whistle-blowing hotline: 010-62508756

Whistle-blowing platform: <https://integrity.legendholdings.com.cn/frontend/web/report/index>

Official WeChat account for whistle-blowing: LEGEND_HOLDINGS – Integrity Platform

During the Reporting Period, no violation of laws and regulations related to corruption, bribery, conflict of interest, fraud, money laundering, and unfair competition occurred at Legend Holdings, Levima Advanced Materials, Raycom or BIL. Lenovo

received the judgment results of bribery litigation cases previously referred to the judiciary. The cases had a minor impact on the business of Lenovo, and the details were provided in the *2022/23 Environmental, Social and Governance Report of Lenovo*.



EXECUTE DUTIES
DILIGENTLY,
EMBODYING
SUSTAINABLE
OPERATIONS

2. EXECUTE DUTIES DILIGENTLY, EMBODYING SUSTAINABLE OPERATIONS

Legend Holdings adheres to the responsible operation attitude of “pursuing fairness and striving for sharing” and takes “industrial operation and technological innovation” as the core of its long-term development strategy. It continuously increases R&D investments to drive innovative development, strengthens the foundation of its physical industries to achieve quality and efficiency improvements, and gives full play to its role in “driving the entire chain” to activate the sustainable transformation of the entire value chain. In addition, Legend Holdings also assists its subsidiaries in utilizing their advantages in operation and supply chain, and integrating these strengths with their unique attributes to create innovative, high-quality, reliable and sustainable operations, thus delivering more benefits for the industrial ecosystem and whole society.

R&D AND INNOVATION

Drive Endogenous Innovation

Under the guidance of positioning itself as the “main technological force in reinforcing the national strategies” and with its original aspiration of revitalizing the country through business, Legend Holdings is committed to making its innovation a key driving force for long-term, high-quality, and robust development.

Legend Holdings has set up the Innovation Development Center dedicated to conducting pioneering research on innovation trends and industrial layout in the three key areas of new materials, new energy, and intelligent sensing. Starting with early-stage technology initiatives, the center has fostered partnerships with leading universities and international institutions to play a leading role in moving towards high-tech breakthroughs. During the Reporting Period, Legend Holdings continued to increase the R&D investments to support innovations. The investment in R&D totaled RMB14.8 billion, reaching a record high.



Endogenous Innovation Practices of Legend Holdings' Subsidiaries

Lenovo

Innovation concept: strive to become a solution provider driven by high technology and concentrate on constructing an emerging IT architecture and promoting the service-oriented intelligent transformation.

Innovation targets: the R&D investment will be doubled by 2023/24 FY compared with that of 20/21 FY, more than RMB100 billion will be invested in R&D and innovation in the next 5 years and another 12,000 R&D personnel will be hired in the next 3 years.

Innovation achievements:

- During the 2023 Lenovo Tech World, Lenovo introduced the AI Twin tailored for both individuals and enterprises, the world's first AI PC, a range of AI devices, and a hybrid AI framework capable of accommodating personal and enterprise-level large models.
- Leveraging its achievements in terminal intelligent temperature control technology, a full-stack AI computing power portfolio, and solutions from its full-cycle AI Station, Legend offered full-stack intelligent products and services for the Hangzhou Asian Games, including AI-embedded smart terminals, AI-oriented infrastructure, and AI-native solution services, etc.
- The services of more than 70,000 sets of warm water liquid cooling devices in the global high-performance computing sector have ensured the 100% water cooling of all server components. This achievement garnered the Special Prize for "Energy Efficiency Optimization" in the UNIDO Global Call 2023 in November 2023.
- Lenovo remained in the list of "the World's 50 Most Innovative Companies" by the Boston Consulting Group.

2. EXECUTE DUTIES DILIGENTLY, EMBODYING SUSTAINABLE OPERATIONS

Levima Advanced
Materials

Innovation concept: meeting the market demand, serving clients, innovating technologies and refining products.

Innovation strategy:

- Prioritize a multi-pronged approach to energy saving, emissions reduction, CO₂ recycling, energy substitution, and carbon reduction at the product consumption end, and promote green, low-carbon, and sustainable innovation in the high-end new materials sector to meet national imperatives and market demand.
- Embrace a collaborative innovation model that combines in-house research and development with cooperative ventures.
- Actively drive the establishment of innovation platforms and facilitate pilot testing, commercialization, implementation and industrialization.

Innovative management system and supporting platforms:

Management system: the *Product Development Management Measures*, the *Scientific Research Project Management Measures*, the *Measures for Operation and Management of R&D Projects*, the *EOD R&D Management Measures*, etc.

Management structure: Levima Advanced Materials formed the Innovation Committee in November 2023. This initiative aims to bolster innovation management accountability, solidify the innovation ecosystem, and cultivate a conducive environment for sustainable innovation.

Talent support: Throughout 2023, efforts collaboration with universities and research institutions, and attract R&D professionals, recruiting over 10 exceptional graduates from prestigious universities and more than 500 production technical personnel.

Innovation achievements:

- Collaboration on the “Creation and Industrial Application of High-Yield Olefin Catalytic Cracking Technology” was conducted with institutions like Sinopec Shanghai Research Institute of Petrochemical Technology Co., Ltd., facilitating the transformation and comprehensive utilization of olefin by-products. This technology was honored with the “First Prize of the 2022 China Petrochemical Science and Technology Progress Award”.
- A new generation of high-performance and biodegradable catalyst technology was developed in collaboration with the related institute of Chinese Academy of Sciences, which has been applied to a 50,000-ton/year PPC plant project under construction. A national key research and development program jointly applied for based on this technology has been approved by the Ministry of Science and Technology of the People’s Republic of China.
- Attention was paid to actively engaging in the research and development of key technologies for the recycling of biodegradable materials, focusing on the development of enzymatic catalysis and separation and purification techniques for bio-based chemicals. Additionally, efforts were made to delve into the application of non-food raw materials and expansion of the resource utilization of agricultural and forestry waste such as straw.
- A leading alkoxylation R&D platform in China was established, enabling the continuous development of environmentally friendly, low-carbon, and highly efficient specialty surfactants, high-performance water reducers, and other innovative products. A total of 30 EOD product series was developed and the industrialization of over 100 products was achieved.
- Efforts were also intensified to drive development and innovation in new products and technologies., The R&D of 13 new products or processes was completed in the laboratory, the production techniques of 17 new products were developed and the industrialization of 13 new products was achieved.

Innovation highlights: develop digital solutions to meet the clients’ demands and set up the professional department and supporting team for the development of digital tools for multi-channel services while continuously developing ESG-related financial products

Innovation achievements:

- Leveraging digital solutions such as BILnet, Open Banking APIs, and Multiline, BIL provides customers with 24h accessible banking services and comprehensive support tailored to their individual needs.
- An initial testing for virtual assistants related to banking card services was conducted and this innovative service is expected to be available to all customers in 2024.

BIL

2. EXECUTE DUTIES DILIGENTLY, EMBODYING SUSTAINABLE OPERATIONS

Coordinated Industrial Innovation

Legend Holdings achieves coordinated innovation among industries through investment and incubation, strategic cooperation, supply chain coordination, public welfare training, etc. We encourages our subsidiaries to leverage their strengths and actively engage in investment and cooperation, empowering the innovative development and value shaping of the real economy and even the whole society.

Coordinated Industrial Innovation Practices of Legend Holdings' Subsidiaries

Lenovo	<ul style="list-style-type: none">• Initiated the second phase of the Lenovo 360 Circle project in February 2023 that aimed to accelerate the upgrading of the value chain for circular economy through innovative solutions. It expanded its collaborative network by incorporating organizations like the UNGC (United Nations Global Compact) and Lenovo channel partners into the Lenovo 360 Circle community with a total of 20 collaborators.• In March 2023, partnered with NVIDIA on the development of the latest generation of VDC platforms, leveraging the state-of-the-art NVIDIA DRIVE Thor system-on-a-chip (SoC). This collaboration aimed to utilize the AI computing platform to drive the development of cutting-edge core product lines for automotive computing.• In May 2023, officially launched the Phase 3.0 strategic cooperation with VMware, aiming to deepen collaboration in modernizing data centers, multi-cloud, and edge technologies to support the digital economy.• On the basis of the strategic cooperation achieved in the previous year, Lenovo and Tsinghua University signed three major projects for integration among academia, industry, and research institutes, i.e., "Intelligent Manufacturing", "Computer System Architecture" and "Technology 2030" in 2023, setting a new benchmark for cooperation between colleges and businesses in China.
Levima Advanced Materials	<ul style="list-style-type: none">• In May 2023, Levima Advanced Materials and Beijing Welion New Energy Technology Co., Ltd., a leader of the solid-state battery sector in China, jointly established a subsidiary, Levima Welion, dedicated to the development and production of key functional materials for next-generation batteries.• In August 2023, jointly established a subsidiary with Wison Group, Levima Wison, dedicated to the development and production of high-end new energy products such as POE photovoltaic adhesive film materials and toughening agents.

Digital Empowerment

The Company embraces the trend of industrial digitalization. It empowers efficient businesses development by leveraging digital technology innovation and application as well as digital platforms. Furthermore, the Company supports the digital transformation of the industrial chain to accelerate its growth and the entire ecosystem's development towards intelligence, digitalization, and high-quality operations.

Digital Innovation Practices of Legend Holdings' Subsidiaries

Lenovo

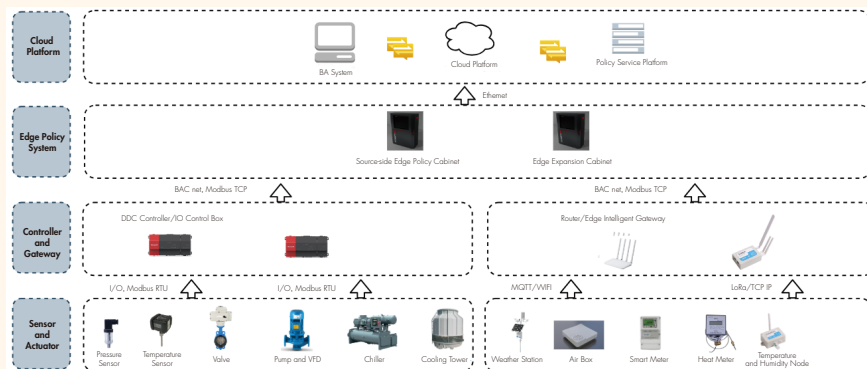
- Lenovo Innovation Industrial Park in Tianjin uses and upgrades the in-house digital systems like LeMES, APS, and ESOP, which have boosted overall production efficiency by 200% and reduced defect rates by 30%. Moreover, the Zero Carbon Black Lamp Intelligent Stereoscopic Warehouse employs over 40 intelligent and digital technologies in an integrated manner, increasing the picking efficiency for material preparation by tenfold, with a remarkable picking accuracy rate of 99.99%.
- At the Hefei Industrial Base, the "Lighthouse Factory" highly integrates the "end-edge-cloud-network-intelligence" elements to establish a supply chain control tower, intelligent benchmark production lines, and a multi-engine R&D center. The mainboard production workshop has been certified as a "Smart Manufacturing Digital Pilot Demonstration Workshop" by the Ministry of Industry and Information Technology of the People's Republic of China, achieving a remarkable automation rate of up to 75%.



2. EXECUTE DUTIES DILIGENTLY, EMBODYING SUSTAINABLE OPERATIONS

Raycom

- With the help of the cloud service technology developed by Beijing Yundong Technology Co., Ltd., jointly invested by Raycom and Tianjin University, Raycom has built an intelligent O&M management platform, achieving the digital integration of functions such as metering, monitoring, edge computing, and control. Based on an operational strategy library and building big data, algorithmic analysis was performed to achieve long-term optimization of building operational strategies. During the Reporting Period, the platform achieved an overall energy-saving rate of over 22% compared with the baseline energy consumption before its establishment.



Levima Advanced Materials

- Based on digital and intelligent technologies such as IoT, cloud computing, big data, BIM, 3D GIS, and oblique photography, Levima Advanced Materials has proposed a "Solution for Information Management of Safe Production of Chemical Enterprises", which realizes dynamic, real-time, and intelligent risk assessment, prediction and warning, and emergency response management in the field of safe chemical production based on deep data mining and three-dimensional realistic modeling.
- In December 2023, this solution was included in the list of excellent solutions for intelligent transformation of the chemical industry in Shandong Province for the year 2023.

Intellectual Property Protection

The Company integrates intellectual property protection across the whole process from R&D and innovation to product application and attaches importance to respecting and protecting the intellectual property of the entire value chain while protecting its intellectual property from infringement. During the Reporting Period, Legend Holdings, in accordance with relevant laws and regulations, established the *Legend Holdings Patent Reward System* and made efforts in intellectual property management through its specially formed Invention Review Committee and Patent Management Department.

Lenovo included the relevant requirements into the *Code of Conduct*, mandated all employees to sign and adhere to an agreement on the protection of confidential information and intellectual property and set up the Patent Review Committee and intellectual property-related legal team to protect the innovative achievements. Levima Advanced Materials formulated the *Intellectual Property Management Measures*, the *Patent Management Implementation Rules*, the *Brand Management Measures*, the *Confidentiality Management Measures*, etc., which stipulated the approval, maintenance, rewarding and punishing measures, application and promotion of intellectual property, relevant lawsuits and protection of patent rights and other matters. The Audit Department, Achievement Transform Department and Brand and other relevant departments jointly carried out the intellectual property protection.

By the end of the Reporting Period, Lenovo held 21,215 effective patents, among which more than 10,000 were valid invention patents within China, ranking 51st in the *Global 250: World's Largest Patent Holders* released by IFI Claims. Besides, it had been included in the list of Top 10 invention patent holders released by the China National Intellectual Property Administration for 6 consecutive years. During the Reporting Period, Levima Advanced Materials had 35 valid newly-added patents, including 17 invention patents. As of the end of the Reporting Period, Levima Advanced Materials had a total of 250 granted patents, of which 85 were invention patents.

During the Reporting Period, the Company was not involved in any administrative punishment or other intellectual property dispute caused by violation of intellectual property laws and regulations.

PRODUCT AND SERVICE QUALITY MANAGEMENT

Product Quality Management

Quality Management System

During the Reporting Period, two subsidiaries of Legend Holdings engaged in product production and manufacturing, Lenovo and Levima Advanced Materials, which refined their quality management systems based on their principal product types (electronic products and advanced materials) to ensure the delivery of products with outstanding quality to customers and consumers.

Lenovo regards the quality policies as the basis for the quality management system (QMS) and relevant business processes and has established the quality management system framework and quality assurance system engaging all members of relevant departments such as manufacturing, product development and testing, business management, services and support and global supply chain departments to ensure they comply with the requirements of relevant standards, e.g., ISO 9001.

With the quality policy of "striving for excellence and continuous improvement" and the quality target of "manufacturing first-class products for customer satisfaction" and in strict accordance with the requirements of the national laws and regulations and standards, such as the *Product Quality Law of the People's Republic of China*, the *Standardization Law of the People's Republic of China*, the *Metrology Law of the People's Republic of China* and the *Quality Management Systems – Requirements* (GB/T 19001-2016), Levima Advanced Materials has formulated several internal systems and product quality standards, including the *Quality Management Measures*, the *Management Measures for Technical Standards*, the *Management Measures for Key Processes and Quality Control Points*, etc., and, on this basis, carried out the quality management of the whole process.

2. EXECUTE DUTIES DILIGENTLY, EMBODYING SUSTAINABLE OPERATIONS

By the end of the Reporting Period, the quality management system of all manufacturing plants of Lenovo and Levima Advanced Materials passed the ISO 9001:2015 certification. During the Reporting Period, no product recalls caused by security and health problems or other major incidents related to product quality and security occurred to the Company.

Lifecycle Quality Management

Legend Holdings adheres to the lifecycle quality management concept and supports the subsidiaries' evaluation, management and improvement of various links, including product development, supply, manufacturing, transportation, installation, use, after-sales service, end disposal and recycling, etc.

Lenovo has implemented a cross-departmental, positive and closed-loop management process. At the design stage, Lenovo integrates prototype development, product testing, and focus group interviews into the product development cycle to tightly control the quality of outgoing goods. At the manufacturing and after-sales stages, Lenovo has set quality objectives for leaders in business divisions and, through a lessons learned feedback loop of the Lenovo Technology Evaluation Center and the efficient collaboration with the Engineering Department, achieved continuous improvement of existing processes and the lowest repair rates in the industry. In rare cases, Lenovo may recall products due to safety or health issues. Lenovo will follow its guidelines, cooperate with relevant government regulators and compensate customers for the recalled products. In addition, Lenovo has decided on the "priorities for safety of Lenovo products", covering 7 major aspects, including suppliers, product manufacturing, customers, quality standards, accident investigation and reporting, and enhancing employees' quality awareness, to ensure the delivery of products of outstanding quality.

Levima Advanced Materials continues to strengthen its quality management by establishing a quality management system and quality control measures that span the entire process from product design, raw material procurement, production management, and quality control to sales service. Each year, it sets quality-related decomposed indicators for key links of all the stages to ensure lean product quality.

The Company also pays attention to long-term quality management and strives to develop products with better stability, convenience and reliability. Lenovo is committed to enhancing the efficacy, durability and maintainability of products, and cooperates with the clients in the last stage of product lifecycle management. It minimizes the impact of repair service on the consumers and safeguards the available and convenient repair of products by prolonging the battery lifecycle of laptop computers and providing consumers the service, repair manuals and videos for disassembling and replacing parts.

Customer Service Management

During the Reporting Period, all subsidiaries of the Company further established their sound customer service management system and formulated the associated management system and complaint response or problem handling processes, forming the closed-loop customer service management.

Customer Service Management Systems of Legend Holdings' Subsidiaries

Subsidiaries	Management Structure	Complaint and Client Satisfaction Management Mechanism
Lenovo	<ul style="list-style-type: none"> Establish a Customer Relationship Management (CRM) System based on Microsoft Dynamics 365; Execute a closed-loop management process through a dedicated customer service team, completing corporate response while refining its processes. 	<ul style="list-style-type: none"> Collect customers' complaints through multiple online and offline channels; Customer service teams manage complaint cases in an end-to-end manner, completing customer reporting, problem resolution, and agreement with customers within a global average period of 48 hours; Carry out client satisfaction surveys after solutions and measures are implemented; Realize the closed-loop management by means of, e.g., classifying and summarizing feedback, evaluating the improvement progress of key indicators, communicating internally, and optimizing processes.
Raycom	<ul style="list-style-type: none"> Add the "Customer Service" sub-module to the SOP management system; Prepare relevant system and process documents, such as the <i>Customer Service Management System</i> and the <i>Customer Check-in Process</i>; Incorporate results of property service quality assessments and reviews into the performance assessment mechanism of Raycom Property, and distribute specific bonuses to all staff based on assessment outcomes. 	<ul style="list-style-type: none"> Collect the clients' feedback through multiple channels, including the property service director, reception personnel in the lobby, leasing manager of the property owners and official WeChat account, etc.; Hold customer demand communication meetings monthly, report and analyze key issues from customer feedback, and compile the <i>Table for Statistics of Handling Park Customers' Demands</i>; Continually conduct annual client satisfaction surveys, formulate rectification plans and solutions in response to customer feedback, and follow up on the resolution of the feedback case by case. During the Reporting Period, a satisfaction survey was conducted for all office building customers, with an average satisfaction score of 96.9 (on a percentage scale).

2. EXECUTE DUTIES DILIGENTLY, EMBODYING SUSTAINABLE OPERATIONS

Subsidiaries	Management Structure	Complaint and Client Satisfaction Management Mechanism
Levima Advanced Materials	<ul style="list-style-type: none"> • Incorporate the after-sales service in the Company's quality management system for holistic management; • Formulate the relevant standards for product quality management, inspection and recycling and provide the products meeting the clients' demands from the quality perspective. 	<ul style="list-style-type: none"> • Establish the client satisfaction measurement and management system and carry out annual and irregular client satisfaction surveys and analysis; during the Reporting Period, the average client satisfaction score for the company's main products was 97 points (on a percentage scale); • Implement targeted rectifications and improvements based on the client satisfaction information.
BIL	<ul style="list-style-type: none"> • Considering the features of clients, e.g., their initiatives, develop a new distribution strategy in response to the clients' demands; • Develop a network of professionals and provide face-to-face and remote support to clients; • Establish the Client Care Center integrating daily communication with after-sales services; • Provide friendly and accessible services to more subdivided groups through the 24/7 BILnet service platform, customer service hotline, branches, etc., and customize services especially for vulnerable groups. 	<ul style="list-style-type: none"> • Formulate the client complaints handling policy and carried out the daily and customized client satisfaction surveys following the "Voice of Clients" strategy; • Identify and analyze the key indicators, important client groups, weaknesses and major areas to be improved based on the results of multi-dimensional surveys; • Discuss the analysis results and improvement plans at the problem management and quality management conferences; • Hold regular conferences or symposiums together with other stakeholders and prepare special training against the recurring complained problems.

During the Reporting Period, the Company received a total of 1,034 publicly reportable complaints about products and services. All the above complaints entered the corresponding investigation procedures and were properly resolved through communication and negotiation with clients.

Responsible Marketing

Legend Holdings pays great attention to compliance and accuracy in using and transmitting the publicity, promotion, marketing and labeling information of products and services and abides by the *Advertising Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, EU's *Markets in Financial Instruments Directive (MIFID & MIFID II)*, *Insurance Distribution Directive (IDD)*, *Sustainable Finance Disclosure Regulation (SFDR)* and other local and cross-border regulations, implementing the responsible marketing.

Lenovo has established internal standards and management processes related to product identification and sales materials, incorporated "providing clients with labels, instructions and other information for secure use of Lenovo products" in the product safety-related priorities, and used all mandatory environmental and regulatory labels, marks and declarations on all products marketed and sold in all markets. Levima Advanced Materials has developed the systems such as the *Product Package, Identification and Traceability Management Measures* to standardize the package labels of products and ensured an accurate description of the products' performance and features. BIL has formulated the *Financial Promotion and Marketing Communication Policy* to regulate the clarity, integrity, neutrality, consistency, comparability, traceability, etc., of the financial instruments under the supervision of MIFID, IDD, and SFDR, and ensured strict compliance in the marketing process with professional support from market experts and sales and business development teams.

During the Reporting Period, the Company did not have any major penalty incident caused by violation of regulations and/or voluntary regulations related to the marketing, information and labeling of products and services, and was not involved in any lawsuit caused by the above incident.

SUPPLY CHAIN MANAGEMENT

Supplier Management System

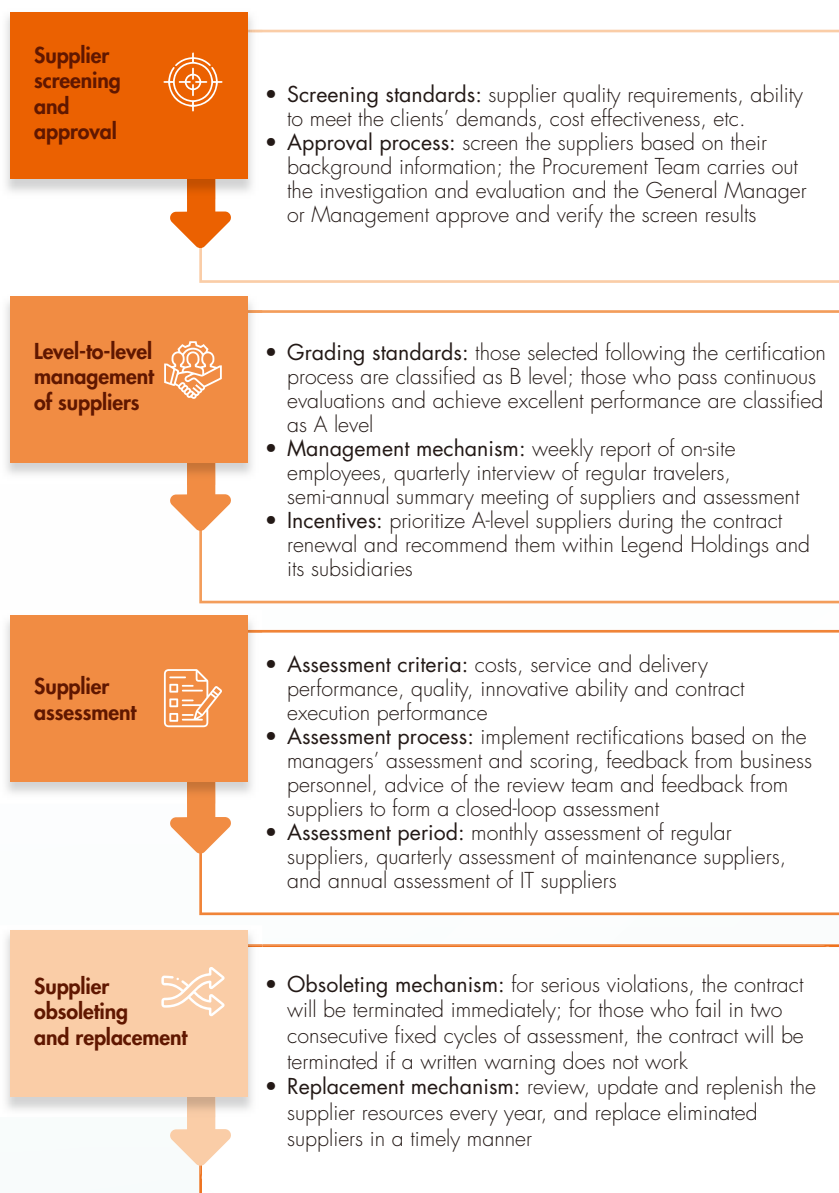
The Company engages in a variety of businesses and plays different roles in the global value chain, resulting in different types and structures of suppliers. During the Reporting Period, Legend Holdings, Raycom and BIL were mainly involved in the procurement from non-manufacturing suppliers, while Lenovo and Levima Advanced Materials focused on the procurement activities of manufacturing suppliers with higher ESG risks and impacts.

Legend Holdings has formulated multiple systems, including the *Procurement Management System and Rules*, the *Procurement Tendering Management Regulations*, the *Administrative Procurement Tendering Process* and the *Code of Conduct for Administrative Procurement Business Personnel*, which forms a management system covering the whole process of supplier screening, approval, level-to-level management, assessment and evaluation, obsoleting and replacement. This system helps to reduce the procurement risks, match the management resources with actual supply and demand and thereby sort out the stable and efficient suppliers.







2. EXECUTE DUTIES DILIGENTLY, EMBODYING SUSTAINABLE OPERATIONS

Supplier Management System of Legend Holdings



The Company has established a targeted supplier management system covering the whole process according to its specific management situation and demands, and based on this, carried out the screening, approval, daily management, assessment and replacement of suppliers.

Supplier Management System of Legend Holdings' Subsidiaries

	 Screening	 Approval	 Management	 Assessment	 Obsolete and replacement
Lenovo	<ul style="list-style-type: none"> Conduct moral assessment for suppliers in regard of prices and terms based on the equal competition principle Select the most capable suppliers based on overall values 	<ul style="list-style-type: none"> Compliance authorization and approval Audit new suppliers in terms of their operation, financial stability, product or information security, and ESG expectations 	<ul style="list-style-type: none"> Manage based on contracts (including legal contracts and operation agreements) Request all suppliers to abide by the <i>Code of Conduct for Suppliers</i> and the <i>Code of Conduct of Responsible Business Alliance (RBA)</i> Organize thematic lectures and training sessions 	<ul style="list-style-type: none"> Require 95% of suppliers undergo an RBAVAP audit or an equivalent third-party assessment biennially Invite suppliers with significant strategic importance to participate in the EcoVadis program 	<ul style="list-style-type: none"> Terminate the cooperation with those committing material violations Follow up until the problems are resolved Deduct scores of suppliers on a weighted basis The management shall maintain direct contact with suppliers
Raycom	<ul style="list-style-type: none"> Select suppliers through previous cooperation, internal recommendation, directory of external suppliers and self-recommendation Pre-examine supplier qualifications and collect basic information of the suppliers 	<ul style="list-style-type: none"> Select qualified suppliers based on the pre-examination and onsite assessment results Include selected suppliers in the directory upon approval of general manager 	<ul style="list-style-type: none"> Prepare the <i>Methods for Supplier Management</i> to manage suppliers by grouping them into the categories of design and project or marketing and planning Update and maintain the supplier list regularly 	<ul style="list-style-type: none"> Regularly assess qualified suppliers of project/non-project businesses in terms of their contract performance Establish a supplier blacklist 	<ul style="list-style-type: none"> Disqualify blacklisted or unqualified suppliers Review and add new suppliers against a lack of suppliers in the directory
BIL	<ul style="list-style-type: none"> Summarize the supplier list, goals for each business line and other information in the annual budgeting process Business lines work with the procurement department for bid inviting and pre-selection 	<ul style="list-style-type: none"> Assess the technology, service, risk resistance, resilience, reputation, compliance and other indicators of suppliers before the evaluation of bid 	<ul style="list-style-type: none"> Conduct category-based management by risk identification and marking results Communicate with suppliers regularly and organize internal meetings to share supplier information twice a year 	<ul style="list-style-type: none"> Conduct due diligence of designated suppliers by procurement and credit risk management departments Conduct annual financial review for suppliers 	<ul style="list-style-type: none"> Stop signing contracts with and granting businesses to suppliers with material risks and marked with "red codes" Develop plans to terminate businesses with risky suppliers and alternative solutions
Levima Advanced Materials	<ul style="list-style-type: none"> Select prime suppliers in accordance with procurement demands and the supplier access certification system 	<ul style="list-style-type: none"> Audit new suppliers in accordance with the <i>Methods for Supplier Management</i> Keep a ledger and file the suppliers' qualifications 	<ul style="list-style-type: none"> Manage suppliers by categorizing them into two classes and four levels and include them in the <i>Qualified Supplier Directory</i> 	<ul style="list-style-type: none"> Organize annual supplier assessment factoring in the costs, quality, delivery capacity and other aspects Include quality, safety, environmental and other certifications and management system assessment Conduct dynamic field investigations on key suppliers 	<ul style="list-style-type: none"> Disqualify suppliers failing in the assessment regularly to reduce the procurement risks

2. EXECUTE DUTIES DILIGENTLY, EMBODYING SUSTAINABLE OPERATIONS

Build a Responsible Supply Chain

The Company strives to build a responsible and sustainable supply chain system and pays great attention to the suppliers' commitments, strategies and behaviours pertaining to business ethics, human rights and labor standards, responses to climate change and green development.

Legend Holdings has formulated the *Code of Conduct for Suppliers*, which stipulates the concrete requirements for the suppliers' business ethics, human rights and employees' basic rights, environmental, health and occupational safety, business operation security and internal procurement practices, etc., and has been signed by all the suppliers. Legend Holdings continues to improve ESG risk management measures for suppliers, adding the *Integrity Cooperation Agreement* to procurement contracts to request the suppliers to make a commitment to anti-corruption and clean operation. All suppliers for Legend Holdings have signed the *Legend Holdings Supplier Integrity Commitment*. In order to reduce the impact of procurement activities on the environment, Legend Holdings prefers the suppliers with better performance in environmental protection and green and environment-friendly products bearing environmental certifications in the course of the administrative procurement.

The Company's subsidiaries also established their sound management mechanism and took proactive measures to enhance the ESG review on suppliers and the construction of their own sustainable supply chain management system.



Supply Chain ESG/Sustainable Management Practices of Legend Holdings' Subsidiaries

Subsidiaries	Management mechanism	Concerned areas	Main measures and achievements during the Reporting Period
Lenovo	<ul style="list-style-type: none"> • Include the supplier authorization requirements in the <i>Code of Conduct</i> and support the accountability system and responsible procurement • Carry out ethics evaluation during the screening of suppliers • Review the new suppliers according to Lenovo's sustainable development strategies and ESG standards • Request all suppliers to abide by the <i>Code of Conduct for Suppliers</i> and the <i>Code of Conduct of Responsible Business Alliance (RBA)</i>; support most manufacturing suppliers in passing the RBA VAP review and the Factory of Champions (FOC) certification • Request suppliers to meet the relevant requirements of internal ESG policies, including the <i>Human Rights Policy</i>, the <i>Environmental Affairs Policy</i> and the <i>Climate and Energy Policy</i>, etc. • Develop internal training programs and ESG training records for suppliers 	<p>Corporate governance</p> <ul style="list-style-type: none"> • Include the anti-corruption and anti-bribery requirements in relevant agreements <p>Society</p> <ul style="list-style-type: none"> • Reduce the risks of forced labor and child labor • Safeguard personal and family well-being of suppliers' employees • Support initiatives for responsible minerals and avoid using conflict minerals <p>Environment</p> <ul style="list-style-type: none"> • Carry out actions in response to climate changes, actively join in SBTi or set science-based carbon targets, and disclose CDP questionnaires • Implement water resource and waste management and provide relevant data • Prioritize environment-friendly materials 	<ul style="list-style-type: none"> • Evaluated 248 suppliers following the process that covered the ESG management requirements • Suppliers contributing above 95% of procurement amount accepted the RBA enterprise-level review • Used the EcoVadis IQ tool to screen about 1,000 suppliers, with 285 suppliers undergoing EcoVadis assessment • Adopted the Cobalt Report Template (CRT) and Responsible Mineral Assurance Procedure (RMAP) to conduct the conflict mineral investigations in the supply chain, with 247 operating smelters or refineries (SOR) being compliant • Suppliers who accounted for 45% of procurement amount promised to join in SBTi or set the science-based carbon target

2. EXECUTE DUTIES DILIGENTLY, EMBODYING SUSTAINABLE OPERATIONS

Subsidiaries	Management mechanism	Concerned areas	Main measures and achievements during the Reporting Period
Raycom	<ul style="list-style-type: none"> Formulate the <i>Methods for Supplier Management, Technical Standards and Requirements</i> for engineering suppliers, and other procedures and standards to enhance the green and environmental protection management of suppliers 	Environment <ul style="list-style-type: none"> Suppliers' construction materials comply with the relevant requirements of the national green and environment protection and harmful substance limit standards The design and construction of relevant projects comply with the requirements of WELL Platinum Certification 	<ul style="list-style-type: none"> Continuously incorporated environment-related requirements such as green materials and green construction into the requirements such as procurement and construction management requirements of relevant suppliers
Levima Advanced Materials	<ul style="list-style-type: none"> Include the requirements for suppliers' environment management and employees' rights in the <i>Methods for Supplier Management</i> Include the environmental protection requirements in the procurement contract and <i>Technical Agreement</i> during the procurement Formulate the workflow and set up the working team against emergency incidents to resolve the environmental, social and security risks of the supply chain 	Corporate governance <ul style="list-style-type: none"> Include the integrity requirements in the level-to-level management system of suppliers Society <ul style="list-style-type: none"> Establishment and certification of occupational health and safety management system of suppliers Environment <ul style="list-style-type: none"> Establishment and certification of supplier environmental management system Products and services provided by suppliers meet the relevant environmental protection requirements 	<ul style="list-style-type: none"> Integrated environmental and social criteria in supplier appraisal audits

Subsidiaries	Management mechanism	Concerned areas	Main measures and achievements during the Reporting Period
BIL	<ul style="list-style-type: none"> Formulate the <i>Sustainable Procurement Policy</i> and the <i>Guide to the Implementation of Corporate Social Responsibility Policy by Suppliers</i> and incorporate the relevant requirements into the sustainable management of suppliers Boost the procurement of environment-friendly products and services through long-term investment, beneficial payment terms, pay for performance, public recognition evaluation, resource sharing, etc. 	<p>Corporate governance</p> <ul style="list-style-type: none"> Avoid unfair competition in the bid invitation and other activities Avoid interest conflicts within BIL or with other suppliers <p>Society</p> <ul style="list-style-type: none"> Respect codes related to human rights and labor rights Implement the occupational health and safety policies <p>Environment</p> <ul style="list-style-type: none"> Reduce the consumption of non-renewable resources, energy and water Implement the emission and waste management Control the greenhouse gases emission 	<ul style="list-style-type: none"> Included corporate social responsibility-related documents in all Requests for Proposals (RFPs) issued to suppliers Included the <i>Guide to the Implementation of Corporate Social Responsibility Policy by Suppliers</i> in all new supplier agreements and contract extensions Conducted ESG-related training sessions for the procurement team, focusing on enhancing its ability to apply human rights protections to the procurement process



2. EXECUTE DUTIES DILIGENTLY, EMBODYING SUSTAINABLE OPERATIONS

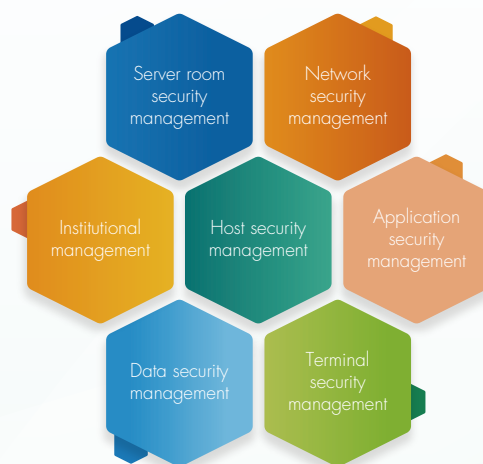
INFORMATION SECURITY AND PRIVACY PROTECTION

The Company strictly abides by the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China* and EU's *General Data Protection Regulation (GDPR)*, the regulations applicable to its operating places and cross-border regulations, and promotes the construction of information security and privacy protection system. During the Reporting Period, the Company was never punished by the administrative authorities for violation of relevant information security and privacy protection laws and regulations, or involved in other relevant lawsuits or controversial incidents.

Information Security

Legend Holdings has formulated the *Information System O&M and Security Management Regulations*, the *Information System and Client Management Regulations*, the *Server Room Management Regulations*, the *Management Measures for Implementation of IT Projects*, the *Information System Data Security Management Standard*, etc., forming a reliable and sound information security management system through the multi-dimensional security control from the perspective of system security, client security, data security and application security. During the Reporting Period, Legend Holdings further enhanced its client security management system by clarifying roles and responsibilities and standardized processes for subsidiaries' access to its network systems and requiring key suppliers to meet its information security management standards. Legend Holdings prioritizes information security risk prevention by conducting penetration testing on crucial systems, scanning vulnerabilities on IT assets, and routinely promoting activities to raise awareness of information security among all staff.

Information Security Management System of Legend Holdings



The Company also highlights safeguarding the information security and protects its information and data security and that of their employees, clients, consumers and other stakeholders through management systems and targeted protection measures.

Information Security Management Practices of Legend Holdings' Subsidiaries

Subsidiaries	Information security system	Main measures and achievements during the Reporting Period
Lenovo	<p>A comprehensive data security strategy for its users:</p> <ul style="list-style-type: none"> • Data processing: Set up a data security center and provide industry-leading data backup and recovery technologies • Cloud service: Construct a multi-cloud management and data center, develop and launch personal cloud storage products, and protect the data of enterprises and individual users in an all-round manner • Intelligent device: prevent hacking by high-reliability hardware, intelligent algorithm, etc. <p>Information security management for itself:</p> <ul style="list-style-type: none"> • Carry out the information security management system construction and certification of data centers in accordance with the requirements of ISO/IEC 27001 • Deploy the third-party professional data platform, realizing the efficient analysis of IDS logs, firewall logs, etc., and safeguarding the data, network and business security 	<ul style="list-style-type: none"> • Proposed a new IT architecture of “end-edge-cloud-network-intelligence”, and built modular and universal solutions and work platforms that encompassed this new IT framework, satisfying user requirements for data security and privacy protection • Released the “Lenovo Cloud Computer”, a desktop management platform based on cloud computing and virtualization, offering users more stable and traceable data security protection • Launched ThinkEdge, a series of edge servers, providing edge intelligence services to users nearby, addressing the digitalization challenges of agile connectivity and data security in industries • Started a training program for “Data Compliance Officers”, whereby these officers will be deeply involved in corporate governance on data security, promoting the implementation of data compliance



2. EXECUTE DUTIES DILIGENTLY, EMBODYING SUSTAINABLE OPERATIONS

Subsidiaries	Information security system	Main measures and achievements during the Reporting Period
Raycom	<ul style="list-style-type: none"> Formulate systems, such as the <i>Information System O&M and Security Management Regulations</i> and the <i>Information System and Client Management Regulations</i> Update the firewall, access equipment and other information equipment including software and hardware in time 	<ul style="list-style-type: none"> Expanded the firewalls to reduce the risk of cyber-attacks Adjusted the permissions and policies for suppliers to maintain servers, limiting their access to Raycom's servers Introduced Network Attached Storage (NAS) for server data backups, providing employees with a new method for data backup
Levima Advanced Materials	<ul style="list-style-type: none"> Formulate the <i>Information System Management Measures</i> Implement server room environment management, periodical routine inspection of equipment, and cross-machine and cross-district backup of core data Develop employees' information and data access rules and strictly manage their behaviours of using the desktop information 	<ul style="list-style-type: none"> Delineated internal and external network environments, strictly controlling access to the internal network from external sources Conducted log analyzes of network security devices Evaluated the current network security architecture Organized the sharing and training of data network security knowledge and improved the employees' awareness of data security
BIL	<ul style="list-style-type: none"> Formulate the <i>Personal Data Protection Charter</i>, the <i>Personal Data Protection Policy</i> and data protection statements for clients in accordance with the relevant requirements of GDPR Set up the ICT & Security Risk Committee and the Data Protection team that undertake the cybersecurity risk management and data protection under the guidance of the ICT and safety risk management framework Reduce cybersecurity risks with the help of protection technologies, the internal control guarantee scheme and cybersecurity audit 	<ul style="list-style-type: none"> Appointed a Data Protection Officer (DPO), who is responsible for overseeing compliance with the GDPR and regularly reporting on data protection actions and goal achievement to the senior leadership Ensured that new project implementations and product designs were in line with GDPR requirements Implemented solutions to prevent data leakage, in collaboration with the Commission Nationale pour la Protection des Données (CNPD) Included the data protection awareness module in the training plan for employees, offering online training focused on data security and privacy protection

Privacy Protection

Lenovo continues to implement its global privacy protection plan and devotes itself to responsibly using and protecting the identifiable information of clients, consumers, employees and partners. BIL strictly restricts data processing related to privacy in accordance with the *Personal Data Protection Policy*, integrates the privacy policy by default into the regulations for data processing, conducts impact evaluation for data processing with high human rights risks, and adheres to the principle of minimum data in terms of data collection amount, processing scope, storage period and accessibility, ensuring the legal, secure and transparent use of the private data of clients and other stakeholders within the minimum possible scope.

Lenovo: global privacy protection plan

Under the guidance of the global privacy protection plan, Lenovo has established and maintains its privacy protection policies, processes, training sessions and other mechanisms and resources. Led by the Legal Affairs Department of Lenovo, the plan integrates the resources of multiple departments in charge of information security, product security, product development, marketing, e-commerce, service and repair, human resources, etc., and it covers the privacy protection of global clients, website visitors, product users and employees. Its key points for implementation include:

<p>Policies</p>	<ul style="list-style-type: none"> • Formulate the privacy guidelines suitable for itself according to the global privacy protection requirements • Continuously update privacy policies, including the <i>Website Privacy Statement</i>, the <i>Product Privacy Statement</i>, the <i>Personal Information Protection Rules for Children</i>, etc. • Provide contractual protections to ensure that privacy and security clauses are included in agreements with suppliers and partners
<p>Management structure</p>	<ul style="list-style-type: none"> • Establish the cross-department privacy protection working team, regularly hold meetings on issues such as privacy policies, processes and legal and industry developments and regularly report the management progress to the chief legal and corporate responsibility officer and chief security officer • The privacy protection plan team, chief security office, chief information security office and product security team of Lenovo jointly implement the privacy and security accident reporting mechanism
<p>Protective measures</p>	<ul style="list-style-type: none"> • Include the privacy impact evaluation in the product development plan • Carry out privacy compliance review before the launch of products, software, services, websites, marketing plans, internal systems and supplier relationship • Coordinate the internal and external resources in response to clients and other applicable personal privacy requests • Provide the internal portal, guiding documents, compliance checklists, and other privacy protection resources to employees • Conduct privacy protection training programs that require employees to take courses on privacy basics and security essentials



EMBRACE GREEN-CENTRIC PRINCIPLES, ADVANCING TOWARDS A LOW-CARBON AND HIGH-QUALITY GROWTH



3. EMBRACE GREEN-CENTRIC PRINCIPLES, ADVANCING TOWARDS A LOW-CARBON AND HIGH-QUALITY GROWTH

Legend Holdings firmly upholds the concept that “lucid waters and lush mountains are invaluable assets”, works to meet domestic policy requirements and moves faster towards low-carbon and high-quality development. The Company lays a solid foundation for green development, consolidates the environmental management system, actively takes actions for energy conservation, emissions reduction, resource management, emissions and waste management, etc., and makes more contributions to a beautiful China and a sustainable and beautiful earth.

ENVIRONMENTAL MANAGEMENT SYSTEM

The Company builds the environmental management system and ensures the effective operation thereof in strict compliance with the requirements of the *Environmental Protection Law of the People’s Republic of China*, the *Environmental Protection Tax Law of the*

People’s Republic of China, the *Law of the People’s Republic of China on Environmental Impact Assessment*, and other local laws, regulations, and policies in regions where the Company operates.

The Company has formulated corresponding environmental management policies based on its business characteristics and potential environmental impact factors to effectively guide environmental management. During the Reporting Period, the subsidiaries involved in production and manufacturing continuously assessed environmental risk factors under the guidance of related management systems and strengthened the environmental impact management by focusing on energy conservation and consumption reduction at the production end. Companies and their subsidiaries which engaged in investment, equity holding, asset management, and other services improved their systems and focused on the environmental footprint of their business activities.

Environmental Management Systems of Legend Holdings

Subsidiaries	Environmental Management Policies	Environmental Management Priorities	System Certification
Legend Holdings	<ul style="list-style-type: none"> The <i>Manual of Legend Holdings for Standardized Office Environment Operation and Maintenance</i> The <i>Manual of Collected Emergency Plans of Legend Holdings</i> The <i>Standard of Legend Holdings for Comprehensive Inspection of Office Areas</i>, etc. 	<ul style="list-style-type: none"> Standardized management of environmental operation and maintenance, green office, comprehensive inspection, emergency response, etc., in office areas. 	Since it is not a manufacturing enterprise, no system certification has been carried out.



Subsidiaries	Environmental Management Policies	Environmental Management Priorities	System Certification
Lenovo	<ul style="list-style-type: none"> The <i>Group Policy #5 – Environmental Affairs</i> The <i>Scope of Lenovo Global Environmental Management System (EMS)</i> 	<ul style="list-style-type: none"> Environmental management of the whole process covering product design, development, and production and manufacturing in accordance with the global Environmental Management System (EMS); Annual assessment of important environmental factors and identification of 10 important factors of the year; Inclusion of environmental indicators, environmental policies, compliance requirements, and other factors into the performance evaluation system. 	As of the end of the Reporting Period, the environmental management systems of global manufacturing sites have been certified by a third party to meet the requirements of ISO 14001:2015 and obtained corresponding certificates.
Raycom	<ul style="list-style-type: none"> The <i>Energy Management System</i> The <i>Garbage Sorting Management System</i>, etc. 	<ul style="list-style-type: none"> Energy management: Optimizing building energy and water-saving management systems, and promoting intelligent management and renewable electricity transition; Household waste management: Implementing strict classification and recycling as much as possible; Optimizing disposal locations and minimizing the usage of waste bags; Hazardous waste, construction waste, and food waste management: Targeted collection, transfer, and external disposal. 	Since it is not a manufacturing enterprise, no system certification has been carried out.
Levima Advanced Materials	<ul style="list-style-type: none"> The <i>Environmental Protection Management</i> The <i>Energy Management Measures</i> 	<ul style="list-style-type: none"> Implementation of measures such as upgrading standards, high-efficient energy savings, and energy-saving training, in combination with energy consumption and emission targets; Pursuit for the “zero environmental damage” safe production and zero occurrence of environmental pollution incidents in the long term. 	As of the end of the Reporting Period, the environmental management system of Levima Advanced Materials has been certified to meet the requirements of GB/T 24001-2016/ISO 14001:2015 ⁴ and obtained the corresponding certificates.
BIL	<ul style="list-style-type: none"> The <i>ESG Integration Framework</i> The <i>Sustainable Strategy</i> The <i>Sustainable Risk Policy</i> 	<ul style="list-style-type: none"> Identification, evaluation and management of the physical and transformation-related environmental risks; Refinement of the energy metering and monitoring system for detailed monitoring and management; Reduction in environmental footprints. 	Since 2021, the social responsibility management systems (which include the environmental management systems) of the headquarters and all Luxembourg-based subsidiaries have been awarded the label L'ENTREPRISE RESPONSABLE (ESR) for three years.

Note 4: Certified locations include Levima Advanced Materials, Levima (Jiangsu) Advanced Materials Research Institute Co., Ltd., Jiangsu Levima Technology Co., Ltd., and Levima Chemical Sales Co., Ltd.; The certification scope covers R&D, manufacturing and sales of chemical materials such as EVA.

3. EMBRACE GREEN-CENTRIC PRINCIPLES, ADVANCING TOWARDS A LOW-CARBON AND HIGH-QUALITY GROWTH

During the Reporting Period, the Company actively carried out environment-themed training sessions, publicity campaigns and education activities. Legend Holdings posted over ten articles and videos on low-carbon, energy-saving, and water-saving initiatives on its official account and organized promotional activities around World Earth Day, World Oceans Day, Mother River Protection Day, "Earth Hour", and other themes. During the Reporting Period, Raycom co-hosted a "City/Forest and Nature Coexistence" themed event with suppliers, promoting environmental protection knowledge about forests and paper products.

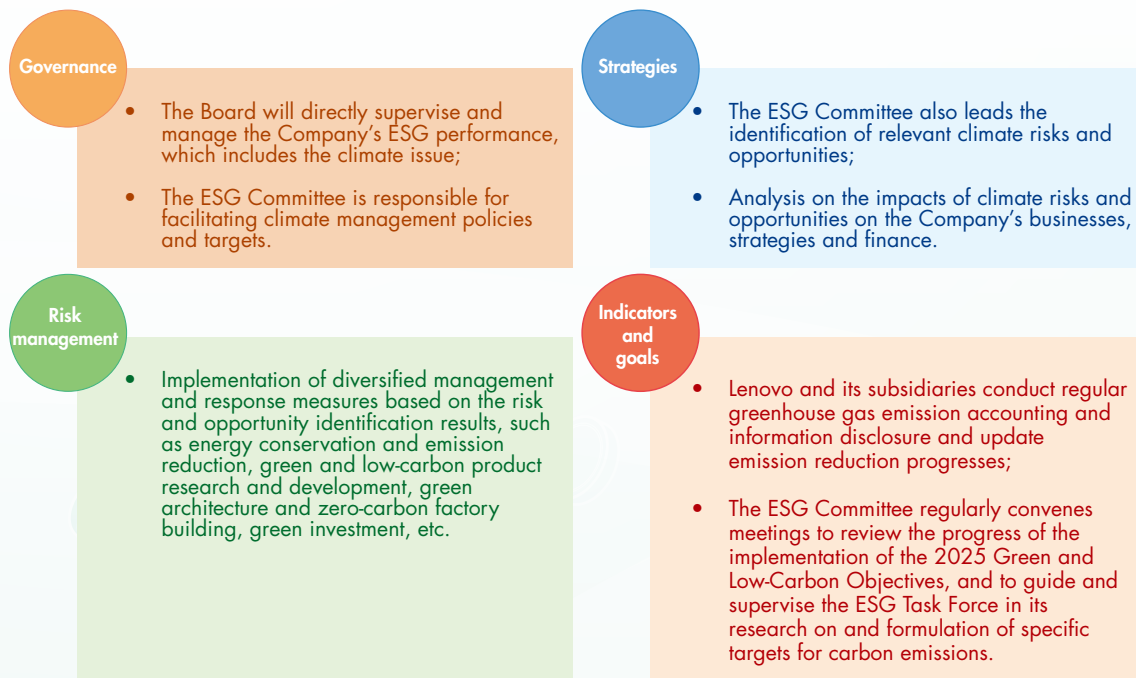
During the Reporting Period, the Company had no major incident or lawsuit arising from, or was reported to arise from, violations of environmental protection laws and regulations such as those related to emissions, leakage and waste generation, nor any other significant impact on the environment.

CLIMATE CHANGE ACTIONS AND ENERGY MANAGEMENT

Climate Change Response System

In accordance with suggestions of the *International Financial Reporting Standard for Sustainability Disclosure No.2 – Climate-related Disclosures* (IFRS S2) issued by the International Sustainability Standards Board (ISSB), the Company has constructed and improved a climate-related information disclosure framework by the four aspects of governance, strategies, risk management, and indicators and goals, and thereby solidified the climate change management system and unfolded a low-carbon blueprint.

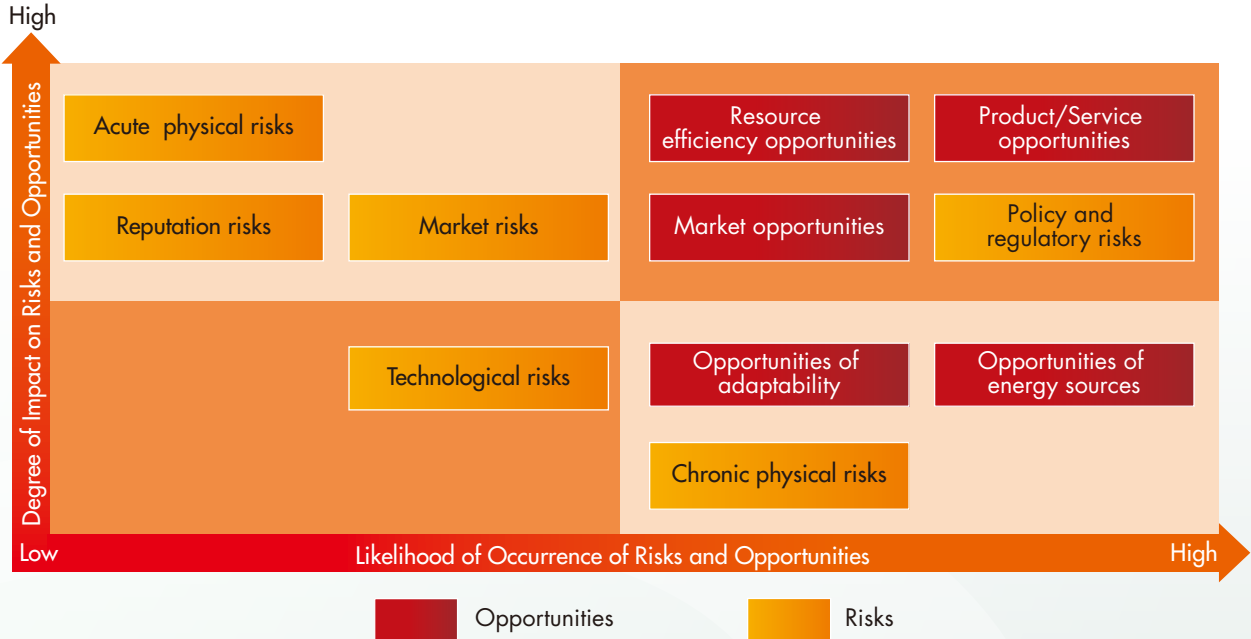
Climate-related Information Disclosure Framework of Legend Holdings



The Board of Legend Holdings is responsible for the comprehensive supervision and management of its ESG matters, including the management of climate-related ESG performance. The ESG Committee is responsible for identifying the risks and opportunities brought up by climate change and formulating relevant visions, strategies, and policies to ensure the effective implementation of Legend Holdings' climate-related strategies and objectives and push forward the realization of climate-related management strategies and objectives in subsidiaries.

Based on business characteristics, the status quo of development and experts' advice, the Company identifies climate-related risks and opportunities that may have a potential impact on our businesses and operations and ranks these risks by their likelihood of occurrence and their potential consequences. The results of the ranking are presented in the Climate-related Risk and Opportunity Matrix.

Climate-related Risk and Opportunity Matrix



Legend Holdings analyzes major climate-related risks and opportunities, and assesses their impacts on its operations, strategies and finance, and draws

up corresponding management measures to build a complete climate change response system.

3. EMBRACE GREEN-CENTRIC PRINCIPLES, ADVANCING TOWARDS A LOW-CARBON AND HIGH-QUALITY GROWTH

Substantive Climate-related Risks and Opportunities and Their Management

Substantive Climate-related Risk or Opportunity	Specific Description	Potential Impacts		
		Strategic Impacts	Financial Impacts	Response Management
Physical Risks				
Acute physical risks	The increasingly severe and frequent physical risks brought about by climate change (including extreme weather events such as heavy rainfall, floods, and hurricanes) may have a significant impact on the Company's operations and fixed assets.	Operations	Operating cost ↑ Value of fixed assets ↓	Emergency plans Emergency drills Insurance
Chronic physical risks	Global warming and rising sea levels have directly impacted many coastal or low-lying cities, which may greatly affect the mid- and long-term operations of the sites of the Company all over the world.	Operations	Operating cost ↑ Value of fixed assets ↓	Locations assessment Insurance
Transitional risks				
Policy and regulatory risks	With the expansion of different operation businesses of the Company and increasingly strict climate-related laws, regulations, and industry standards, and newly-introduced policies and regulations in the places of business, the Company may face corresponding regulatory pressure and litigation and other risks.	Operations	Operating cost ↑	Policy and regulation identification Low-carbon compliance management
Reputation risks	With the public and clients getting more concerned about the impact of global warming and climate change and raising their expectations for the Company to take responsible actions to respond to the global challenges, failure to take appropriate actions to mitigate the impacts of climate change may damage the Company's business image and reputation.	Operations Products and services	Operating income ↓	Low-carbon production and operation Low-carbon product R&D Climate-related information disclosure
Markets risks	Under the significant fluctuation in raw material prices due to climate change, any ineffective response of the Company's subsidiaries to the pricing of products and inventory cost controls and other aspects will risk a decline in their operating performance.	Products and services Supply chain	Operating income ↓	Low-carbon and sustainable management of the supply chain



Substantive Climate-related Risk or Opportunity	Specific Description	Potential Impacts		
		Strategic Impacts	Financial Impacts	Response Management
Opportunities				
Product/Service opportunities	The Company develops new low-carbon products and services to meet the changing preferences of clients and consumers, thereby getting additional revenue, reputation, and businesses.	Products and services	Operating income ↑	Low-carbon product R&D Green production and manufacturing
Resource efficiency opportunities	The Company formulates business strategies and effectively reduces the building energy consumption of water, electricity and gas, etc., by constructing more energy-efficient offices and low-carbon infrastructure, thereby reducing indirect operating costs and facilitating the construction of low-carbon ecosystems.	Operations	Operating cost ↓	Low-carbon production and operation Green factories Green buildings
Opportunities of energy sources	The innovations of technologies in renewable energy development and utilization and of its trade mechanism will bring increasing accessibility and possibly lower prices. The Company purchases green power in various production and operation segments and achieves the renewable energy transition, reducing direct energy costs.	Operations	Operating cost ↓	Purchase of and replacement with renewable energy
Markets opportunities	The Company actively seeks opportunities in new markets of the green economy or new types of assets to realize diversified operations and plays a role in the overall transition to the low-carbon economy by participating in carbon asset trading, carrying out the carbon risk assessment for investment portfolios, exploring the organizational and industrial cooperation and supporting or developing green investment and financing projects, etc.	Products and services	Operating income ↑	Participating in carbon trading Conducting green investment and financing



3. EMBRACE GREEN-CENTRIC PRINCIPLES, ADVANCING TOWARDS A LOW-CARBON AND HIGH-QUALITY GROWTH

Greenhouse Gas Accounting and Verification

The Company continuously carries out the pertinent work, enlarges the data coverage, and improves the statistical criteria. During the Reporting Period, Lenovo, Raycom, Levima Advanced Materials, and BIL all conducted an accounting of their greenhouse gas emissions in Scope 1 and Scope 2. The Company will continuously evaluate the existing relevant goals according to the accounting and verification results and develop further carbon reduction goals in due course.

Additionally, Lenovo identified substantive categories that warrant tracking and evaluation in Scope 3 (such as purchased goods and services, use of sold products, and upstream transportation and distribution) so as to conduct targeted accounting. Lenovo passed third-party verifications of data in energy and climate change-related areas, and related information has been disclosed in its *Carbon Neutrality Action Report*.

Levima Advanced Materials and its subsidiary Levima Chemical entrusted third parties to perform the carbon emission verification and carried out a dedicated carbon emission evaluation against the key products

and newly-built projects. Levima Advanced Materials implemented a carbon footprint life cycle assessment (LCA) covering all stages from “cradle-to-gate” for three products, namely polypropylene (PP), ethylene-vinyl acetate (EVA) copolymer and ethylene oxide derivative (EOD) and thereby further improved the integrity and pertinence of data.

BIL launched the accounting of carbon footprints covering operation carbon footprints and financing emissions and identified the material emission categories within Scope 3 and relevant investment portfolios. During the Reporting Period, BIL adopted the targeted Bilan carbone® method developed by ADEME to conduct the accounting of the substantive categories in Scope 3, such as waste, purchased goods and services and business trips covered by the operational carbon footprint module and to conduct the accounting of the emissions of credit portfolios and bank portfolios covered by the financing emission module and the assessment of the risks and capabilities of low-carbon transformation.



Energy Management

During the Reporting Period, the Company used specific types of energy in direct and indirect ways in the production and operation processes. Levima Advanced Materials, a manufacturing enterprise, mainly engages in the direct use of energy (including directly using energy as raw materials); while other companies and their subsidiaries mainly use energy indirectly, such as relying on electricity to meet their energy load.

Use of Main Energies of Legend Holdings’ Subsidiaries

Energy-using Entities	Energies for Direct Use	Energies for Indirect Use
Lenovo	Gasoline, diesel, liquefied petroleum gas (LPG), compressed natural gas (CNG), and aviation kerosene	Purchased electricity, steam, and refrigerant
Raycom ⁵	Natural gas, gasoline, diesel, and fuel gas (for heat supply for restaurants and other certain areas)	Purchased electricity and heat provided by governments
Levima Advanced Materials	Coal, gasoline, diesel, natural gas, and LPG	Purchased electricity
BIL	Natural gas and heating oil	Purchased electricity

The Company has established the energy management system, constantly revised and improved the corresponding policies, and actively carried out the energy management system certification. In addition, the Company has also formulated short- to medium-term goals for energy consumption and renewable energy replacement, boosting energy conservation and emission reduction.

Note 5: “Raycom” here refers to the Raycom Infotech Park, including the office where Legend Holdings headquarters is located, the same as below.

3. EMBRACE GREEN-CENTRIC PRINCIPLES, ADVANCING TOWARDS A LOW-CARBON AND HIGH-QUALITY GROWTH

Energy Management Systems of Legend Holdings

	Energy Management Policies	Energy Management System Certifications	Energy Management Goals
Legend Holdings	<i>Equipment and Facility Operation Manual of Legend Holdings, Equipment and Facility Operation and Maintenance Records of Legend Holdings, Standards of Legend Holdings for Comprehensive Inspection of Office Areas, etc.</i>	Since it is not a manufacturing enterprise, no relevant certification has been carried out.	To continuously expand the proportion of renewable energy use; to actively promote the implementation of energy conservation and emission reduction in its subsidiaries.
Lenovo	<i>Group Policy #5 – Environmental Affairs, Scope of Lenovo Global Environmental Management System (EMS) (wherein, the energy consumption of workplaces is an important management factor during the Reporting Period)</i>	All manufacturing bases, EMEA (Europe, Middle East and Africa) offices and Beijing headquarters are certified to meet the requirements of ISO 50001.	As of 2025/26 FY, 90% of the electricity used by Lenovo in global operation activities will be generated by renewable energy.
Raycom	<i>Energy Management System</i>	Since it is not a manufacturing enterprise, no relevant certification has been carried out.	As of 2024, to reduce electricity consumption in the public areas of the Raycom Infotech Park by more than 9.9% against that of 2018.
Levima Advanced Materials	<i>Energy Management Measures</i>	Certified to meet the requirements of ISO 50001 and RB/T 114-2014 systems.	As of 2024, to reduce the comprehensive energy consumption per CNY10,000 of output value by 10% against that of 2020.
BIL	Since it is not a manufacturing enterprise, no dedicated system has been established	Since it is not a manufacturing enterprise, no relevant certification has been carried out.	From 2023 onwards, the total annual operational carbon footprint will decrease by 2% compared to the previous year.

During the Reporting Period, the Company made unremitting efforts in such aspects as energy conservation and efficiency improvement of equipment, innovation and optimization of energy conservation processes, and transition towards alternative renewable energies. The Company endeavors to give full play to energy management as a pivot in climate response and to maximize the efficiency of emission reduction.



Energy Conservation Measures and Achievements of Legend Holdings

	Major Measures	Achievements of Energy Conservation and Emission Reduction
Legend Holdings	<ul style="list-style-type: none"> Phased down the high-power LED lights in the office areas (A total of 116 LED downlights were replaced during the Reporting Period); Utilized the centralized control system to dynamically adjust the temperature of air conditioners in the office areas to 26°C; Turned off the centralized lightening control system in the office areas one hour earlier; Increased the routine inspection frequency of power-consuming equipment from 2 times a day to 4 times a day; Prohibited high-power desktop electrical appliances. 	21,076 kWh of electricity was saved from November 2022 to November 2023 on a year-on-year basis, which is equivalent to 12.02 tons of CO ₂ emissions reduction.
Lenovo	Tianjin Base of Lenovo recycled residual heat discharged by air compressors and adjusted the temperature of the fresh air system through geothermal energy exchange to achieve highly efficient and multi-level utilization of energy.	1,120,000 kWh/year of electricity was saved by recycling residual heat, which is equivalent to 638.74 tons of CO ₂ emissions reduction. The geothermal energy exchange system saved 50% of energy compared with the previous heating and cooling method.
	Hefei Base of Lenovo adopted the EMC cooperation mode to upgrade and reduce the energy consumption of air compressors; recovered the residual heat for heating.	In 2022, electricity of 1,811,000 kWh and gas of 104,000 m ³ were saved by air compressors, which is equivalent to 1,300 tons of CO ₂ emissions reduction.
Raycom	Raycom set up the intelligent O&A management platform based on AIoT technology and achieved the continuous optimization of the whole process covering the energy conservation diagnosis, commissioning, and low-carbon O&A; implemented the refined management without incremental investment to comprehensively improve the energy conservation performance in buildings.	Achieved an overall energy-saving rate of over 22% compared with the baseline energy consumption before its establishment.
	Replaced refrigerators, at a double level-1 energy efficiency grade in Building A of Raycom Infotech Park during the Reporting Period.	Increased the energy efficiency ratio of the units by 32.6%, which saved 30% of electricity compared with the electricity consumption before the replacement.

3. EMBRACE GREEN-CENTRIC PRINCIPLES, ADVANCING TOWARDS A LOW-CARBON AND HIGH-QUALITY GROWTH

	Major Measures	Achievements of Energy Conservation and Emission Reduction
Levima Advanced Materials	During the Reporting Period, implemented the energy efficiency bench-marking plan and carried out the energy conservation optimization of key devices, such as EO and MTO.	It is expected to save steam by 19,200 tons per year, which is equivalent to 7,092.8 tons of CO ₂ emissions reduction.
	Held an activity to collect the optimization advice on energy conservation, implemented measures such as the operating efficiency optimization of MTO devices and heat exchanger maintenance, and reduced the steam consumption of some links such as the methanol vaporization.	It is expected to save steam by 42,000 tons per year, which is equivalent to 15,797.6 tons of CO ₂ emissions reduction.
	Carried out the equipment modification and technical upgrade of devices, such as MTO, EVA, and EO.	It is expected to save steam by 40,000 tons per year, which is equivalent to 15,152.8 tons of CO ₂ emissions reduction.
	Optimized and adjusted circulating-water heat exchange system for devices, such as MTO and EVA, and reduced the electricity consumption of circulating-water pumps.	It is expected to save electricity of 1,400,000 kWh per year, which is equivalent to 798.42 tons of CO ₂ emissions reduction.
	Achieved the mutual supply of MTO-grade methanol among public projects.	Reduced steam by about 20,000 tons with refined methanol as a reference, which is equivalent to 64,480 tons of CO ₂ emissions reduction.
	Levima Chemical, a subsidiary of Levima Advanced Materials, continuously implemented the outward supply of waste energy from CO ₂ in process exhausts and cooperated with third parties to realize coordinated carbon consumption and reduction along the industrial chain.	2023, around 119,350,000 Nm ³ of CO ₂ has been used for outward supply.



	Major Measures	Achievements of Energy Conservation and Emission Reduction
BIL	<ul style="list-style-type: none"> Introduced the high-particle-size energy metering and monitoring system and achieved the refined management of the headquarters' energy consumption; Reduced the number of high energy-consumption equipment related to illumination and ventilation and efficiently managed or turned off the equipment standby or operating overnight or on non-working days; Continuously promoted the remote working, green commuting, green restaurant and catering, and other measures reducing the indirect energy consumption and carbon footprints along the value chain; Carried out the energy audit. 	

In terms of replacement with renewable energy, Lenovo continues to advance the construction of renewable energy facilities under the guidance of the target "As of 2025/26 FY, 90% of electricity used in the global operation activities will be generated by renewable energy" and purchases Renewable Energy Certificate (REC), International Renewable Energy Certificate (I-REC), and Guarantees of Origin (GO) to support the use of clean energy. During the Reporting Period, multiple bases of Lenovo across the globe accelerated their zero-carbon transformation by building photovoltaic power stations. The total installed solar capacity that has been put into operation was about 17 MW, with the total solar power generated at 13,333 MWh, which is equivalent to reducing the CO₂ emissions by about 7,603.81 tons. During the Reporting Period, Raycom actively purchased the green power of 12,000,000 kWh, which is equivalent to reducing 6,843.60 tons of CO₂ emissions. BIL has realized 100% use of electricity from GO-certified renewable sources since 2022 (including EcoMix and hydro-source).

During the Reporting Period, Legend Holdings provided all routine inspectors and repair personnel with 6 training sessions on energy conservation and repair skills, with an average training duration of 8 hours per person. Lenovo actively organized energy conservation awareness training and energy conservation publicity for employees. Levima Advanced Materials organized 11 technical training sessions for the energy management personnel, covering energy conservation technology application and on-site energy management of main devices, etc., which extended to 51 hours per capita and carried out an energy conservation publicity activities for key energy management personnel and key technical personnel, disseminating relevant knowledge such as the energy management system and manuals, which extended to 32 training hours in total. Additionally, Levima Advanced Materials adopted over 40 suggestions on energy conservation and consumption reduction from employees during the Reporting Period, pushing forward efforts of energy conservation and consumption reduction by pooling the wisdom and efforts of all the staff.

3. EMBRACE GREEN-CENTRIC PRINCIPLES, ADVANCING TOWARDS A LOW-CARBON AND HIGH-QUALITY GROWTH

Case: The Lenovo Innovation Industrial Park in Tianjin practiced the highest-level energy conservation and zero-carbon intelligent manufacturing.

The Lenovo Innovation Industrial Park in Tianjin takes “green and zero-carbon intelligent manufacturing” as the core and has integrated multiple advanced, intelligent and green technologies, such as IoT, 5G, edge computing, digital twin and AI and upgraded the zero-carbon practice throughout the whole process, demonstrating the highest-level zero-carbon intelligent manufacturing in the ICT industry. Intelligent improvement of energy efficiency and the use of renewable energy are among the main means of the Industrial Park to achieve zero-carbon manufacturing. The measures for energy conservation and carbon reduction throughout the whole process are as follows:

<p>Energy conservation planning and design</p>	<ul style="list-style-type: none"> • Adopted the powerhouse-centered design at the parking planning and building design stages, reducing the energy supply radius to less than 40% of that required by national standards; • Introduced the heat exchangers of a geothermal system to adjust the temperature of the fresh air system, achieving an energy conservation rate of 50%.
<p>Production and operation energy conservation management</p>	<ul style="list-style-type: none"> • Used the self-developed factory ESG solution, i.e., ESG Navigator, to achieve the visualization, traceability and compliance management of energy consumption and other data and reduced the comprehensive energy consumption by 5% to 10%; • Achieved full-automatic and unattended management in important production links and 100% operation in dark in the test section of laptop production lines.
<p>Renewable energy transformation</p>	<ul style="list-style-type: none"> • Introduced photovoltaic facilities of roofs, generating power of above 5,000,000 kWh per year, equivalent to reducing CO₂ emission by about 3,000 tons; • Installed building-integrated photovoltaics (BIPV) on the outer surfaces of buildings and reduced the energy consumption of buildings while generating power by the outer surfaces, reducing CO₂ emission by about 72 tons per year; • Used off-grid photovoltaic products for the facilities within the park and introduced wind-solar streetlamps that utilized wind energy for power supply, reducing CO₂ emission by about 31 tons per year.



Based on digital carbon accounting and by comprehensively taking various strategies and measures of energy conservation and carbon reduction, the Lenovo Innovation Industrial Park in Tianjin will achieve high-quality factory carbon neutrality, with its direct emission reduction and that from renewable energy transitions accounting for above 90%. Additionally, based on the successful practice of the digital system of ESG Navigator in the Tianjin Plant, Lenovo launched the enterprise-level ESG solution “LeGreen”, empowering the zero-carbon development of enterprises. It popularized the systematic energy conservation and zero-carbon manufacturing experience across the globe and set up the zero-carbon ecosphere jointly with the industry chain, making contributions to the coordinated high-quality development of Beijing, Tianjin, and Hebei.

SUSTAINABLE PRODUCTS

Low-carbon Products

Lenovo focused on improving the energy efficiency of its products in service and building low-carbon products throughout the life cycle. Aligned with the requirements of the domestic and foreign product regulations and standards, as well as the internal certification plan for energy efficiency of CLEAResult Plug Load Solutions’80 Plus and the innovative energy management tools for products, Lenovo provided products with industrial-leading energy efficiency to customers. A total of 5 monitors of Lenovo were recognized as ENERGY STAR® “Most Efficient” products during the Reporting Period. In addition, Lenovo utilized the PAIA (Product Attribute Impact Algorithm) to analyze and track the carbon footprints of its main products, published the carbon footprint report of specific products on its official website and incorporated the commitments of “lifting the energy efficiency of sold products (desktop, server, laptop computer and Motorola products)” and “reducing the emissions from the use and sales of products (laptop computers, desktops and servers)” into the science-based carbon target system. During the Reporting Period, Lenovo conducted 8 life-cycle evaluations on its laptop computers, monitors, reprocessed plastics, secondary metal, and other technologies. As of the end of the Reporting Period, it had disclosed the carbon footprint (PCF) report of its 695 products.

As a national “Green Plant”, Levima Advanced Materials actively implemented a high-end, differentiated and refined layout centered on the green and low-carbon new material products and solutions. Levima Advanced Materials focused on the high value-added products made of high-end EVA materials and improved the self-sufficiency rate of core raw materials for the photovoltaic industry while promoting the industry’s development, achieving sustainable carbon reduction. Its annual output of EVA materials was enough for the installed capacity of about 96 MW and PV power generation of about 140 million kWh. During the Reporting Period, Levima Advanced Materials implemented a carbon footprint LCA analysis throughout the “cradle-to-gate” process for three productions, namely PP, EVA and EOD and further tapped the emission reduction potential of its core products.

3. EMBRACE GREEN-CENTRIC PRINCIPLES, ADVANCING TOWARDS A LOW-CARBON AND HIGH-QUALITY GROWTH

Low-environmental Footprint Products

While striving to reduce the carbon footprints of products, the Company also paid attention to the water footprints, recyclability, biotoxicity, ecological friendliness, and other aspects of its products. Through analysis and optimization of its products in all stages from the raw materials to final disposal, the Company endeavors to reduce the environmental footprints of products comprehensively.

During the Reporting Period, Lenovo continuously expanded the types of its part materials which contain closed-loop post-consumer recycled content (CL PCC) plastics and post-consumer recycled content (PCC) plastics. Also, Lenovo expanded the use of recycled aluminum and magnesium, and ocean-bound plastics, used more recycled fibers, reprocessed plastics, and sustainable materials for packaging. Moreover, Lenovo provided customers with accessible support, maintenance and management services, extended the service period of repairable parts and enhanced their reparability, thereby reducing the stress from final disposal. For further information about the use of supplies with low environmental impacts in materials and packaging, please refer to "Raw Material Management" and "Packaging Material Management".

Based on the intelligent recycle design and use of products, Lenovo continuously carried out Product End-lifecycle Management (PELM). It provided customized Product Take-back programs (PTB) and Asset Recovery Services (ARS) to customers from its main markets across the globe, cooperated with the production plants, repair network and channel partners to refurbish and reuse the excessive, returned and obsolete products and parts, and enhanced the management of PELM suppliers under the support of the *Standard for Electronic Product Scrapping Suppliers*, database and review process, etc.

Levima Advanced Materials strengthened its layout in new-type biomaterials and established the projects with an annual lactic acid output of 100,000 tons and an annual polylactic acid output of 40,000 tons. Furthermore, Levima Advanced Materials focused on PPC products with both carbon fixation capability and biodegradability and promoted the layout of the Levima Green's project that integrated renewable

energy-related materials and biodegradable materials, achieving the dual benefits from the reduction of carbon and white pollution.

Green Investment and Financing

The Company emphasizes the role of green investment in promoting green and low-carbon industrial transformation. During the Reporting Period, Legend Holdings completed the series B investments in Xinjiang Dunhua Green Carbon Technology Co., Ltd., the only Chinese high-tech enterprise that owned the professional whole-industrial chain for carbon capture, utilization and storage (CCUS) through its equity fund. The Company ensured its carbon capture factory operates stably with an annual carbon capture of 200,000 tons. Levima Advanced Materials cooperated with the industry by establishing a joint venture subsidiary, Levima Welion, focusing on the production and development of key functional materials for new-type batteries, such as solid and semi-solid batteries and expanding its business layout in the new-energy battery material field.

BIL closely followed relevant requirements of policies and regulations, including SFDR, MiFID II and IDD Amendments promulgated by the European Union and provided customers with sustainable investment solutions meeting their preferred ESG solutions. The subsidiary became a signatory to the United Nations Principles for Responsible Banking (UN PRB) in 2021 and submitted its first communication progress report (COP) for continuously supporting the United Nations Global Compact (UNGC) in December 2023. During the Reporting Period, the first green bond framework in Luxembourg, which was established by the subsidiary, raised funds of EUR 440 million. Besides, it achieved the single public issue limit of above EUR 105 million through the retail and private banking network beyond institutional investors. As of the end of the Reporting Period, BIL held green bonds of EUR 1.8 billion in its investment portfolios, accounting for 20.79% of the total portfolios and increasing by nearly 4.96% compared with that of last year.

RESOURCE MANAGEMENT

Water Resource Management

The Company manages water resources efficiently in strict accordance with the requirements of laws and regulations such as the *Water Law of the People’s Republic of China*, the *Law of the People’s Republic of China on Water and Soil Conservation*, the *Measures for the Implementation of the Water Intaking Permit System*, and the *Regulations on the Administration of Urban Water Conservation*. Lenovo has formulated and implemented the *Flexible Water Usage Policy* to continuously measure and monitor its water usage and the risks thereof. Levima Advanced Materials has formulated the related system, including institutionalized and normalized water management and month-by-month monitoring and analysis of water consumption, saving and metering assessment.

During the Reporting Period, all water supply for Raycom Infotech Park, including Legend Holdings, is from the municipal pipe network, with no difficulty in the acquisition of water. The vast majority (99%) of Lenovo’s water was supplied by third parties, with a small amount obtained from groundwater directly. Lenovo has analyzed, collected statistics on and disclosed the volumes and proportions of water obtained from the areas with a high or extremely high baseline water stress (based on WRI Aqueduct tools). All production water supply for Levima Advanced Materials is from surface water reservoirs and the

South-to-North Water Diversion Project (which accounts for about 50% respectively), while all domestic water supply is from the municipal pipe network. The surface water is obtained with water withdrawal permits from the local authorities, and there is no difficulty in water acquisition. BIL headquarters used water from the municipal water supply, with about 60% from the groundwater within Luxembourg and about 40% from the surface water in rivers within Luxembourg. The WRI evaluation suggested that no water was obtained from areas with limited water resources.

During the Reporting Period, Legend Holdings insisted on the overall water consumption goal of “maintaining the current level of water consumption density (with an increase of no more than 5% compared with that of 2021) till 2025, and reducing the overall water consumption by 5% compared with that of 2021 if possible”. During the Reporting Period, Lenovo set and achieved the short-term goal of “maintaining the current water consumption per capita of all global locations compared with the last FY (otherwise with an increase of no more than 5%)”. Under the guidance of the overall target set by Legend Holdings, Levima Advanced Materials overfulfilled the 2023 annual water consumption target and water consumption quota target for unit polypropylene products designated by the local government of its operating place.



3. EMBRACE GREEN-CENTRIC PRINCIPLES, ADVANCING TOWARDS A LOW-CARBON AND HIGH-QUALITY GROWTH

Main Measures and Results of Water Resource Management of Legend Holdings in 2023

<p>Lenovo</p>	<ul style="list-style-type: none"> • Made an annual assessment of the Lenovo’s operational water footprints and water risks along the supply chain with publicly available water risk assessment tools; • Continuously measured and monitored the water consumption and risks of all workplaces across the globe, and disclosed the annual verification report on water consumption; • Implemented in-depth cooperation with Wine To Water (WTW) to assist some water-deficient countries in the Southern Hemisphere to get clean water and jointly respond to the natural disasters related to water withdrawal difficulty.
<p>Raycom</p>	<ul style="list-style-type: none"> • Completed the comprehensive modification of the water consumption monitoring system for Buildings A, B and C of Raycom Infotech Park and installed a total of 144 remote water meters to achieve accurate control, online comparison and weekly analysis of water consumption; • Installed a total of 90 sets of water-saving taps for Building A, achieving a water-saving rate of 30% compared with that before the replacement; • Collected the condensed water from the fan coil units in Building A of the Park and used them for the water makeup of cooling towers.
<p>Levima Advanced Materials</p>	<ul style="list-style-type: none"> • Regularly compared the water consumption of devices, made economic accounting, summarized the water supply quality, and analyzed the abnormal indicators, ensuring the controllable water consumption and stable water supply quality; • Actively recycled the water resources from various sources, including 870,000 tons from condensate, 1,110,000 tons from reclaimed water and 20,000 tons from rainwater in 2023; The reclaimed water accounted for 21% of the freshwater. • Took water-saving measures for circulating water systems, industrial cooling water systems, water storage equipment and heat supply systems, etc., further promoting water conservation and consumption reduction as well as closed-loop recycling.
<p>BIL</p>	<ul style="list-style-type: none"> • Terminated the water-consuming activities of the headquarters in summer, such as water sprinkling and irrigation in gardens and artificial fountains; • Equipped bathrooms with double-button flushing systems; • Equipped the sprinkling and irrigation systems of independent gardens and administrative terraces with monitoring devices; • Continuously monitored water consumption and actively identified and fixed irregular conditions, improving the utilization efficiency of water.



Raw Material Management

The Company implements traceability management of its various raw materials to ensure the compliant, efficient, and green use of raw materials, and promotes the reduction of raw materials by choosing renewable or recyclable ones to support the circular economy.

During the Reporting Period, Legend Holdings purchased exclusively printing products containing renewable materials (e.g., business cards that use both FSC® and ASI-certified regenerated paper and notebooks with China Environmental Labeling) to cut down the consumption of natural resources such as forests and reduce the environmental footprints from the root.

Raycom reduced the materials used for packaging and sanitary products related to property management businesses and implemented green management. From June 2023 on, Raycom purchased and used 36,000 degradable umbrella bags. Also, it reduced garbage cans and cancelled garbage bags in bathrooms and took other measures to reduce the use of plastics, and used sanitary tissues made of fast-growing trees.

Lenovo continued to use post-industrial recycled content (PIC) plastics, post-consumer recycled content (PCC) plastics, closed-loop post-consumer recycled content (CL-PCC) plastics, and incorporated secondary metal, such as aluminum and magnesium, and new-type environment-friendly materials, such as ocean-bound plastic (OBP) into its products. During the Reporting Period, Lenovo used plastics containing recycled contents with a total gross weight of approximately 7,000 tons, including CL-PCC plastics with a net weight of approximately 4,100 tons. PCC plastic was used for 298 types of its products. Lenovo set a target for the proportion of used materials containing recycled contents, i.e., "all Lenovo's PCs will contain PCC as of 2025/26 FY." In addition, it expanded the use of secondary aluminum and magnesium in its laptop products and has introduced 100% secondary aluminum. It continuously researched and purchased OBP and introduced it into more products. There were OBP with a net weight of approximately 540 kg used during the Reporting Period.

In addition, Lenovo prioritized the use of environment-friendly materials, restricted the use of ozone-depleting substances, persistent organic pollutants, etc., in its products in accordance with the *Stockholm Convention*, the European Union (EU) *Restriction of*

Hazardous Substances (RoHS), and the *Registration, Evaluation, Authorization, and Restriction of Chemicals* (REACH), and supported phasing out brominated flame retardants (BFRs), polyvinyl chloride (PVC) and other halogen materials. Furthermore, Lenovo also established a list containing more potentially to-be-controlled materials in the product lifecycle management system and required all suppliers to provide their full material disclosure (FMD) information, which was used as the basis for the environmental compliance analysis.

Levima Advanced Materials formulated systems such as the *Measures for Managing the Entry into and Exit from Factories of Chemical Raw and Auxiliary Materials and Products*, *Measures for the Administration of Chemical Catalysts, Solvents and Additives*, and *Rules for the Administration of Coal* for such non-renewable materials as coal and methanol that are mainly used in production to form a complete raw material management system, and improved production capacity and cut down raw material consumption through technical optimization and breakthroughs. Moreover, Levima Advanced Materials actively promoted coordinated cooperation with the existing industrial chain in launching new projects and sourced many types of materials, including vinyl acetate, from its supply chain, thereby yielding both environmental and economic benefits.

Packaging Material Management

During the Reporting Period, only Lenovo was involved in the substantial use of packaging materials in the provision of products and solutions. Lenovo treated product packaging as an important environmental impact factor in its EMS system and strived to continuously reduce the consumption of packaging materials and improve the proportion of environmental-friendly materials used in packaging materials.

Lenovo is committed to promoting the transition of packaging materials to recyclable or renewable materials, requiring that all purchased corrugated paper boxes contain at least 70% PCC fibers, and that the inner linings of all ThinkPad products and some consumer notebook products use FSC® certified virgin fiber materials. As of the end of the reporting period, Lenovo has introduced recycled components PE plastic into all buffer foams, recycled plastic bags into all ISG products, and 100% renewable biodegradable packaging into five new products. In addition, Lenovo

3. EMBRACE GREEN-CENTRIC PRINCIPLES, ADVANCING TOWARDS A LOW-CARBON AND HIGH-QUALITY GROWTH

has also launched eco-friendly packaging such as bamboo fiber gift boxes and OBP component buffer pads, as well as innovative plastic-free packaging solutions. During the reporting period, Lenovo has achieved a reduction of 192 tons of plastic in packaging materials through packaging innovation, miniaturization, and promotion of reusable packaging solutions, with a total reduction of approximately 400 tons.

EMISSION AND WASTE MANAGEMENT

Management of Air Pollutants Emission

The Company controls specific air pollutants generated in production and operating activities in strict compliance with laws, regulations and standards such as the *Law of the People's Republic of China on the*

Prevention and Control of Air Pollution, the *Emission Standard of Pollutants for Petroleum Chemistry Industry (GB31571-2015)*, the *Emission Standard of Air Pollutants for Thermal Power Plants (DB 37664-2019)*, and the *Limitation of Emissions of Volatile Organic Compounds of Luxembourg*.

During the Reporting Period, the Company identified substantial air pollutants in view of different types of fixed or mobile emission sources. In the business processes, Lenovo did not directly emit a significant amount of exhaust gas containing nitrogen oxide (NO_x), sulfur oxide (SO_x) or particulate matters (PMs), and did not have any process that would use volatile organic compounds (VOCs). The Group prohibited using ozone-depleting substances (ODSs) in its products and production, except for such equipment as permitted by laws. Only a few of its facilities used household and cleaning products that contained a small number of VOCs, but their emissions were scarce in volume and could not be quantified.

Emission and Control of Air Pollutants of Legend Holdings' Subsidiaries

Emission Entity	Major Emission Sources	Major Emission Pollutants	Pollutant Control Measures
Raycom	Heating boilers, standby diesel generators and self-owned passenger vehicles	Nitrogen oxides (NO _x), sulfur dioxide (SO ₂), carbon monoxide (CO), and inhalable particles (PM ₁₀)	<ul style="list-style-type: none"> Applied the intelligent O&M management platform and a big database of air conditioner operations to reduce the energy consumption of buildings in operation to reduce emissions; Implemented real-time monitoring of such air pollutants as PM_{2.5}, PM₁₀ and TVOC in public areas to meet the relevant standards; During the Reporting Period, Buildings B and C of Raycom Infotech Park adopted and passed the RESET AIR certification for air quality in buildings.
Levima Advanced Materials	Engineering equipment, boilers and self-owned passenger vehicles	NO _x , SO ₂ , and particulate matters (PMs)	<ul style="list-style-type: none"> Discharged pollutants processed by professional environmental protection facilities in accordance with relevant regulations and took measures to reduce emissions; Carried out the technical transformation project in 2023 to improve the RTO energy efficiency of EVA devices, lifted the treatment efficiency of RTO, and reduced the emissions of VOCs.
BIL	Self-owned passenger vehicles	NO _x , SO ₂ , CO, and PM ₁₀	<ul style="list-style-type: none"> Procured and used more new-energy vehicles to reduce the emissions of exhaust gas by vehicles; Encouraged green commuting modes by providing innovative electric cars and bicycle rental services, encouraging carpooling, etc., to reduce the use of high-emission vehicles.

During the Reporting Period, the Company did not incur, nor were they reported to have incurred, any incidents of being penalized by the relevant authorities for violating air pollutant emission limits.

Wastewater Management

The Company control wastewater and pollutants generated from production and operating activities in strict compliance with laws, regulations and standards such as the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, the *Integrated Wastewater Discharge Standard* (GB 8978-1996), the *Discharge Standard of Water Pollutants for Electronic Industry* (GB 39731-2020), the *Emission Standard of Pollutants for Petroleum Chemistry Industry* (GB 31571-2015) and the *Wastewater Quality Standards for Discharge to Municipal Sewers* (GB/T 31962-2015).

During the Reporting Period, only Lenovo and Levima Advanced Materials had significant discharges of industrial wastewater and related pollutants. Since other subsidiaries are non-production enterprises, the domestic sewage generated by them was treated by third-party sewage treatment plants and then discharged in a compliant manner.

Lenovo signed agreements with third-party treatment institutions in accordance with its EMS requirements and determined the discharge limits for wastewater and related pollutants from its factories in accordance with relevant laws and regulations, discharge limits of its places of operation and the treatment capacities of third-party institutions. Up till now, over 99% of Lenovo's wastewater has been treated by third parties.

Levima Advanced Materials controls wastewater and chemical oxygen demand (COD), ammonia nitrogen (NH₃-N), total phosphorus (TP), total nitrogen (TN) and other monitoring indicators in strict accordance with relevant laws and regulations to ensure that all wastewater is discharged in compliance with regulations and that the total amount discharged is lower than that specified in the pollutant discharge permit.

During the Reporting Period, there were no incidents occurred or reported in which the Company were penalized by the relevant authorities for breaching the restrictions on the emission of wastewater and relevant pollutants.

Solid Waste Management

The Company conducts prioritized management of various types of solid waste involved and their impacts on the environment in strict compliance with laws, regulations and relevant rules of operating places, such as the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Waste*, *Standard for Pollution Control on Hazardous Waste Storage* (GB 18597-2023), the *Notice on Strengthening the Environmental Management of Waste Electrical and Electronic Equipment* issued by the Ministry of Ecology and Environment of the People's Republic of China, the *Regulations of Beijing Municipality on Administration of Domestic Garbage*, and *Luxembourg Zero Single-Use Plastics Manifesto*, and *SuperDrecksKëscht® (SDK) Fir Betriber* labeling.

During the Reporting Period, Lenovo and Levima Advanced Materials generated general industrial solid waste and hazardous waste in the production processes; other non-production companies and subsidiaries only generated domestic waste.

Legend Holdings collects and disposes of hazardous and non-hazardous waste in a centralized manner. In addition, the Company reduces the number of solid waste generated and disposed of through such methods as recycling and source reduction. During the Reporting Period, Legend Holdings stuck to the overall waste management target of "implementing garbage sorting in all offices, and maintaining 100% of compliant disposal of hazardous waste by 2025", so as to achieve the green and sustainable management of waste.

3. EMBRACE GREEN-CENTRIC PRINCIPLES, ADVANCING TOWARDS A LOW-CARBON AND HIGH-QUALITY GROWTH

Emission and Control of Solid Waste by Legend Holdings' Subsidiaries

Emission Entity	Non-Hazardous Waste	Hazardous Waste
Lenovo	<ul style="list-style-type: none"> • Management system: <i>Field Environmental Project Manual</i> • Waste types: office and canteen waste, and non-hazardous packaging and production waste from production factories • Disposal modes: <ul style="list-style-type: none"> – Collect and upload the monitoring or estimated data of waste by the waste collection spots of all workplaces on a monthly basis – Sort and collect in the fields of generation – Then entrust third-party waste management companies for disposal • Waste reduction measures: The canteens of Tianjin Plant had all their kitchen waste recycled and utilized as resources, with a comprehensive utilization rate above 90% • Management target: to recycle and reuse 90% (+/-5%) of non-hazardous waste across the globe within the Reporting Period (Completed) 	<ul style="list-style-type: none"> • Management system: <i>Field Environmental Project Manual</i> • Waste types: spent oil, refrigerant, organic solvents, batteries, fluorescent bulbs, ballasts, etc. • Disposal modes: <ul style="list-style-type: none"> – Collect and upload the monitoring data of waste by the waste collection spots of all workplaces on a monthly basis – Sort in the fields of generation – Then hand waste over to approved suppliers for disposal



Emission Entity	Non-Hazardous Waste	Hazardous Waste
Raycom	<ul style="list-style-type: none"> • Management system: <i>Waste Sorting Management System, Kitchen Waste Management Process, Recyclables Management Process, Construction Waste Management Process and Other Waste Management Process</i> • Waste types: construction waste and non-hazardous domestic waste • Disposal modes: <ul style="list-style-type: none"> – Assign special personnel to sort waste into the categories of kitchen waste, recyclables, and other waste – Hand recyclables over to garbage collectors for disposal after subdividing them • Waste reduction measures: continue to cancel the use of garbage cans, reduce the use of garbage bags and encourage employees to reduce domestic waste 	<ul style="list-style-type: none"> • Management system: <i>Hazardous Waste Management Process</i> • Waste types: batteries, toner cartridges, ink cartridges, mercury-containing waste lamps, etc. • Disposal modes: <ul style="list-style-type: none"> – Assign special personnel to manage hazardous waste – Entrust third parties with recycling and absorption qualifications for disposal • Waste reduction measures: encourage employees to buy back used computers that can still work • Management target: continue to recycle and dispose of all batteries, toner, ink cartridges, and mercury-containing waste lamps by 2024



3. EMBRACE GREEN-CENTRIC PRINCIPLES, ADVANCING TOWARDS A LOW-CARBON AND HIGH-QUALITY GROWTH

Emission Entity	Non-Hazardous Waste	Hazardous Waste
Levima Advanced Materials	<ul style="list-style-type: none"> • Waste types: general industrial solid waste such as boiler ash, gypsum and sludge, and non-hazardous domestic waste • Disposal modes: <ul style="list-style-type: none"> – Sludge is burnt in boilers – Boiler ash and desulfurized gypsum are handed over to qualified companies for disposal and comprehensive utilization – Domestic waste is collected at designated locations and handed over to the local sanitation department for collection, transportation and disposal • Waste reduction measures: reduce general industrial solid waste through process optimization 	<ul style="list-style-type: none"> • Waste types: discarded packaging materials, spent lubricating oil, spent condensed oil, heavy alcohol, etc. • Disposal modes: put hazardous waste such as spent oil, dead catalysts, etc., in temporary storage as required, and then hand them over to organizations with corresponding treatment qualifications for disposal • Waste reduction measures: <ul style="list-style-type: none"> – reduce waste vinyl acetate (VA) by adjusting the operations of the VA refining system in the ethylene vinyl acetate (EVA) copolymer plant – reasonably prolong the service life of the batteries in the instrument cabinet rooms by reducing the frequency of replacement, thereby reducing waste batteries
BIL	<ul style="list-style-type: none"> • Waste types: waste paper, waste glass, food waste, etc. • Disposal modes: <ul style="list-style-type: none"> – Classify, collect and store waste – Recycle waste paper, cardboard, glass, mixed packing, etc. – Treat the food waste with biological methanation technology – Treat other domestic waste by burning • Waste reduction measures: <ul style="list-style-type: none"> – Encourage the use of regenerated paper, duplex printing, paperless office and electronic signature – Cooperate with restaurants and stakeholders to promote vegetarian diet and plant-based food 	<ul style="list-style-type: none"> • Waste types: waste bulbs, lamps, etc. • Disposal modes: <ul style="list-style-type: none"> – Sort in the fields of generation – Hand waste over to approved suppliers for disposal



BIODIVERSITY STEWARDSHIP

As Legend Holdings is mainly engaged in investment business, businesses under its direct operation barely have any impact on the environment and natural resources. With the promulgation of the *Kunming-Montreal Global Biodiversity Framework*, *Marine Biodiversity Agreement* by United Nations, *Chinese Biodiversity Conservation Strategies and Action Plan (2023-2030)* by the Ministry of Ecology and Environment of the People's Republic of China, and relevant domestic and foreign frameworks and regulations, the Company pays more attention to the potential impacts of the subsidiaries' business activities on biodiversity and carries out corresponding prevention and management measures, contributing to the fulfillment of the 2030 biodiversity action target and the 2050 biodiversity vision.

During the Reporting Period, Legend Holdings did not have any significant impact on biodiversity that resulted from any of its production and operating activities, products and services, nor did it have production bases or operating sites located in or near nature reserves or in biodiversity-rich areas outside nature reserves.

Based on the guidance of its "New IT, New Nature" principle and long-term biodiversity conservation practices, Lenovo published the *2023 White Paper of Lenovo for Innovative Practices of Biodiversity Conservation* in January 2024, which systematically disclosed its philosophy and achievements of biodiversity conservation. Since 2021, Lenovo has

focused on the ecological governance and biodiversity protection of the Yangtze River. Under this scheme, Lenovo has built a model case for intelligent protection of finless porpoises in Hubei Tian'ezhou Reserve, launched the public-interest science dissemination project "Song of the Great Yangtze River" for the biodiversity of Yangtze River, and set up the metaverse "supernatural space" project in Shanghai Natural History Museum. Overall Lenovo aims to cooperate with local governments to optimize the policies for the protection of such endangered species as finless porpoises and to safeguard the ecology of the Yangtze River together with various sectors of society. Furthermore, Lenovo joined in the pilot project "Implementing the Global Development Initiative to Accelerate the SDGs" (GDI for SDGs) of UNGC as one of the founders in November 2022 and used OBP under the guidance of the project GDI for SDGs to reduce the pollution of ocean plastics and protect the marine ecosystem.

Raycom emphasizes the protection of biodiversity and ecosystem integrity of Raycom Infotech Park and its surrounding regions. In March 2023, Raycom pasted dot stickers to the glass surfaces of buildings in the smoking areas within the park to reduce bird collisions caused by visual confusion. In April, the subsidiary strategically employed ladybird eggs to control aphid pests, gradually enhancing natural enemy control and reducing the reliance on chemical pesticides. In addition, it specially protected the nests with nestlings during the cleaning of the exterior walls of buildings.





IDENTIFY AND APPOINT
THE MERITORIOUS,
CULTIVATING A SOUND
ENVIRONMENT FOR
TALENT DEVELOPMENT



4. IDENTIFY AND APPOINT THE MERITORIOUS, CULTIVATING A SOUND ENVIRONMENT FOR TALENT DEVELOPMENT

The Company sticks to the people-centric core value, fully safeguards the rights and benefits of employees, cares about their health, supports their development, and shares valued development, striving to create a joint undertaking.

EMPLOYEE RIGHTS AND BENEFITS

Recruitment and Employment

The Company adheres to fairness and equality in recruitment and employment, strictly abides by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China*, and local labor-related laws and regulations in overseas markets, respects and protects human rights, complies with international conventions and labor standards, regulates contract employment, and ensures that all employees have signed labor contracts and have their social security contribution paid. The Company has formulated internal rules and regulations such as the *Employee Handbook*, the *Code of Conduct* and the *Code of Ethics for Employees*.

The Company ensures that no child labor or forced labor is used through strict screening and routine supervision and management and has developed strict accountability procedures against violations of employment regulations. The Company respects the political rights and religious beliefs of employees, and resolutely avoids discrimination against any employee or job applicant due to differences in ethnicity, race, gender, age, marital status, disability, nationality, religion, etc., to provide equal opportunities for all employees and applicants.

During the Reporting Period, Legend Holdings further standardized relevant systems of the Company, supplemented the *Labor Contract Management Regulations*, revised the *Recruitment and Probation Management Regulations* to perfect the guide and assessment criteria for the probation periods and revised the regulations of *Resignation Management System* on the procedure handling processes to optimize the Company's internal management.



R&E-related Rights of Employees of Legend Holdings

Remuneration and Dismissal	Working Hours and Leave
<ul style="list-style-type: none"> • Remuneration: In accordance with the <i>Remuneration Management Measures</i>, the Company adopts a post pay and target bonus system, and the annual performance bonus of employees is linked to factors such as performance. • Contract termination: Proceed in accordance with the termination procedures in the <i>Resignation Management System</i>; understand why employees decide to leave and their suggestions for departments or the Company; cooperate in case of background checks for on-boarding and file transfers of employees applying for new jobs, and provide support for their efforts in finding a new job and ask headhunters and subsidiaries for help when necessary. 	<ul style="list-style-type: none"> • Working hours: In accordance with the <i>Attendance and Vacation Management Regulations</i>, standard working hours for employees are set at 40 hours per week and flexible working is allowed. • Leave: Paid annual leaves, paid sick leaves and Spring Festival welfare leaves are provided; state-mandated maternity leave for women, sick leave, marital leave, bereavement leave, breastfeeding leave, etc. are provided in accordance with local regulations.

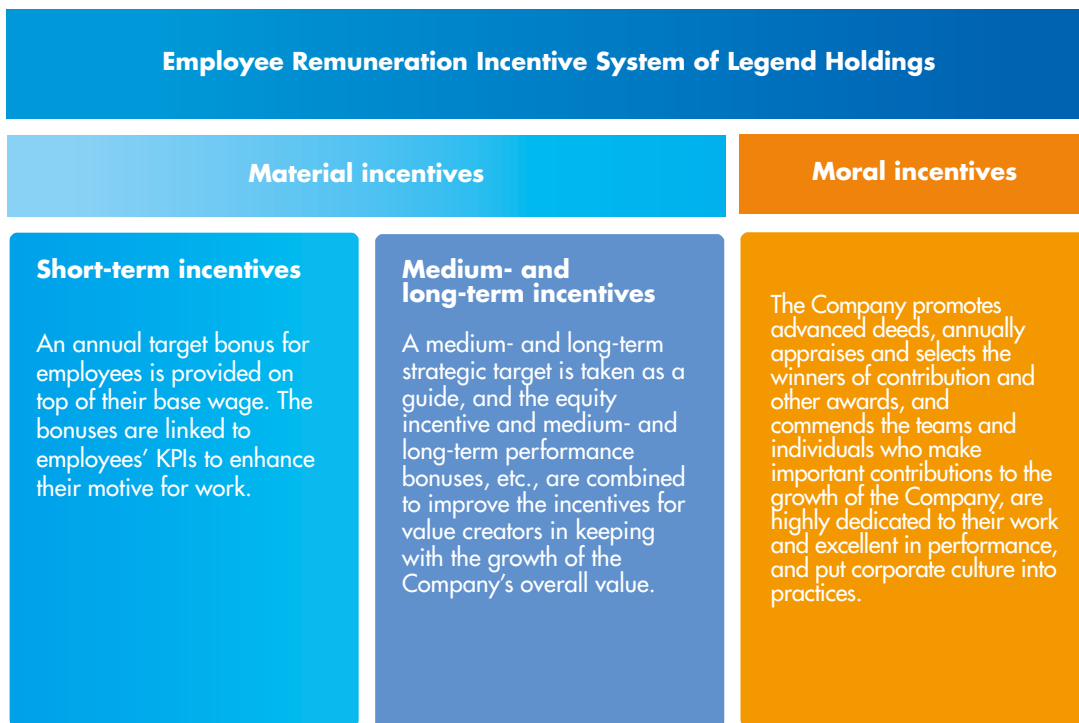
Human Resource Management System of Legend Holdings' Subsidiaries (Partial)

Lenovo	<i>Human Rights Policy, and Code of Conduct</i>
Levima Advanced Materials	<i>Labor Contract Management Measures, Recruitment and Employment Management Measures, Vacation Management Measures and Management Measures for Violations of Rules and Disciplines</i>
Raycom	<i>Labor Relation Management System, Attendance and Vacation Management Measures, Remuneration Management Measures, and Welfare Management Measures</i>
BIL	<i>BIL Group Code of Conduct, Ethics and Prevention of Sexual Harassment Policy, Diversity Charter and Procedure – Health and Safety</i>



4. IDENTIFY AND APPOINT THE MERITORIOUS, CULTIVATING A SOUND ENVIRONMENT FOR TALENT DEVELOPMENT

The employee remuneration of Legend Holdings consists of short-term incentives and medium- and long-term incentives. The Company considers various factors, such as overall strategies and business characteristics, comprehensively analyzes a selected group of remuneration references matching different posts and dynamically adjusts its remuneration system, to ensure the market competitiveness of the remuneration.



Legend Holdings has established a mechanism for employee complaints and protection of complainants. In case of any infringement upon employees' basic rights, they can lodge complaints or reports through internal channels. The Company comprehensively investigates all complaints and keeps the relevant employees' information confidential in accordance with relevant requirements. During the Reporting Period, the Company included the management requirements for "prohibiting harassment and discrimination" and corresponding whistle-blowing channels in the *Code of Ethics for Employees* to further improve the employee protection mechanism.

During the Reporting Period, there was no case of employment of child labor or forced labor at Legend Holdings, nor any violation or complaint regarding employment and equal opportunities, diversity and anti-discrimination, remuneration and promotion, working hours and vacations, or other labor standards.

Employee Communication

Legend Holdings has carried out communication and exchanges with all employees through such channels and means as routine communication, new employee orientations, engagement and satisfaction surveys, in-depth interviews and training sessions, and the "progress email" column. During the Reporting Period, Legend Holdings conducted satisfactory surveys on all the employees renewing their labor contracts and the employee satisfaction index was up to 96%.

In addition, the Company also fully guarantees employees' rights to know and to participate through face-to-face communications between senior executives and primary-level employees, quarterly departmental communication meetings, meetings for the Labor Union, congress of workers and staff, etc., where the opinions and suggestions of employees in routine work are learnt.

During the Reporting Period, the Labor Union of Legend Holdings stayed committed to fulfilling its basic responsibilities in safeguarding the employees' rights and completed the election of members of the 5th Labor Union Committee. Congress of workers and staff participated in making important decisions for the Company and reviewed and approved the *Employee Handbook* and revisions to relevant systems, which perfected the Company's rules and regulations and practically safeguarded the employees' rights.



4. IDENTIFY AND APPOINT THE MERITORIOUS, CULTIVATING A SOUND ENVIRONMENT FOR TALENT DEVELOPMENT

Lenovo: "Lenovo Listens" employee engagement survey

Employee feedback is one of the best indicators of success. Lenovo seeks the insights of its employees worldwide through its annual "Lenovo Listens" employee engagement survey. The survey is designed to measure employee sentiment and capture feedback on the company's performance as it works to create an equitable and inclusive work environment.

The survey results revealed that overall employee participation reached an all-time high of 96 percent. Results also indicated that confidence in the company's future rose to 92 percent, representing an incredible 12 percent increase since 2020. Meanwhile, the company's greatest strengths continue to be its ethical business practices, environmental responsibility and its continued commitment to diversity and inclusion.

FY 2022/23 Lenovo Listens

Employee
Engagement



(+2% YoY)

All time high score

Future
Confidence



(+2% YoY)

All time high score

Environmental
Responsibility



(+2% YoY)

5 points above
high performing
market benchmarks

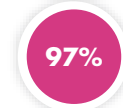
Fair & Equal
Treatment



(+1% YoY)

7 points above
high performing
market benchmarks

Ethical Business
Practices



Top Scoring item

5 points above
high performing
market benchmarks

* This data includes regular employees only.

Employee Benefits

The Company has established a sound welfare system for employees. Aside from contributing to the social security package and housing provident fund of employees in accordance with relevant laws and regulations, the Company cares about the health and safety of employees, improves their welfare and cares for them to enhance their sense of belonging and happiness.

During the Reporting Period, the Company strengthened its care for employees' health. In terms of medical insurance, it widened the scope of critical illnesses covered by the insurance from over 50 to 100 diseases, enlarged the scope of insurance coverage for minor illnesses and provided supplementary commercial medical insurance for employees during pregnancy and in hospital.

Employee Welfare System of Legend Holdings

Statutory welfare	Supplementary benefits of the Company
Pension	<ul style="list-style-type: none"> • Supplementary commercial insurance (minor and critical illness insurance, personal life insurance, and accidental injury healthcare insurance) • Insurance for hospitalization allowance • Advance payment of deposits for hospitalization
Medical insurance	<p>Health and safety</p> <ul style="list-style-type: none"> • Supplementary health insurance for employees and their families and green channels for medical treatment • Medicare funds and reimbursement of small amounts of medical supplies • Physical examinations • Health-themed training and disease prevention consulting • Online medical inquiries, online claim settlement, online medicine stores and other online medical services



4. IDENTIFY AND APPOINT THE MERITORIOUS, CULTIVATING A SOUND ENVIRONMENT FOR TALENT DEVELOPMENT

Statutory welfare	Supplementary benefits of the Company
Unemployment insurance	Employee protection <ul style="list-style-type: none"> • Enterprise annuities • Supplementary housing provident funds • Various types of welfare leave (paid annual leave, sick leave, etc.) • Various welfare subsidies (lunch and phone subsidies) • Public rental housing and subsidies for children in nurseries and education • Points for household registration, work residence permits, and work visas for foreign personnel
Employment injury insurance	
Maternity insurance	Care for employees <ul style="list-style-type: none"> • Greetings at birthdays, holidays, weddings, and childbirth, visits to patients, and attendance at funerals • Flexible working hours • Seasonal tea, first-aid kits, fitness equipment, and gym • Nursing room and lunch break room • Department team building, festival celebrations, and birthday parties • Social events for single employees, employee family day, and other activities
Housing provident fund	

With regard to providing help and support to employees, Legend Holdings issued the *Subsidy Measures for Employees in Difficulties*. Legend Holdings provides financial aid to employees according to the corresponding procedures in case the employees themselves or their immediate members have critical illnesses, or their families are in serious difficulty due to natural disasters, accidents and other special causes. This year, Legend Holdings hereby formulated the *Implementation Rules for Care for Employees* to better take care of employees and help and support employees in difficulties.

Actions of Legend Holdings' Subsidiaries to Show Regards and Sympathy and to Offer Help and Support

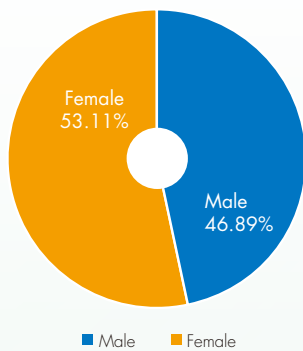
<p>Levima Advanced Materials</p>	<p>Levima Foundation, an internal public welfare organization, is set up to provide help and support for employees with family difficulties due to acute illnesses, accidental trauma, family accidents, force majeure-caused catastrophes or accidents and those whose immediate family members can hardly continue their study due to financial difficulties.</p>
<p>BIL</p>	<p>"Solidarity Leave" plan is set up for employees in need, which encourages other employees to anonymously donate their time off to their colleagues in need, and improves the infrastructure such as the signs of the company's parking lots (e.g., changing red and green signs) for the benefit of employees with disabilities, such as those with color blindness to facilitate the secure travel of employees.</p>

DIVERSITY AND EQUAL OPPORTUNITIES

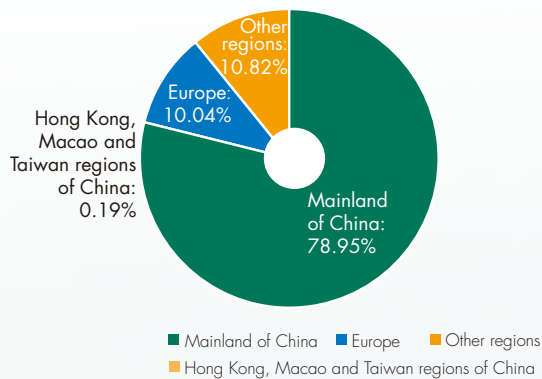
Legend Holdings attaches great importance to workforce diversity, actively recruits employees with different identities and backgrounds, adheres to equal pay for equal work between male and female employees, strives to create a diverse and inclusive work environment and shares the concept of workforce diversity with stakeholders.

As of the end of the Reporting Period, the total number of employees of Legend Holdings (excluding Lenovo) in the consolidated financial statements was 20,081. Details of employees by gender and region are shown in the chart below:

Gender proportion of employees



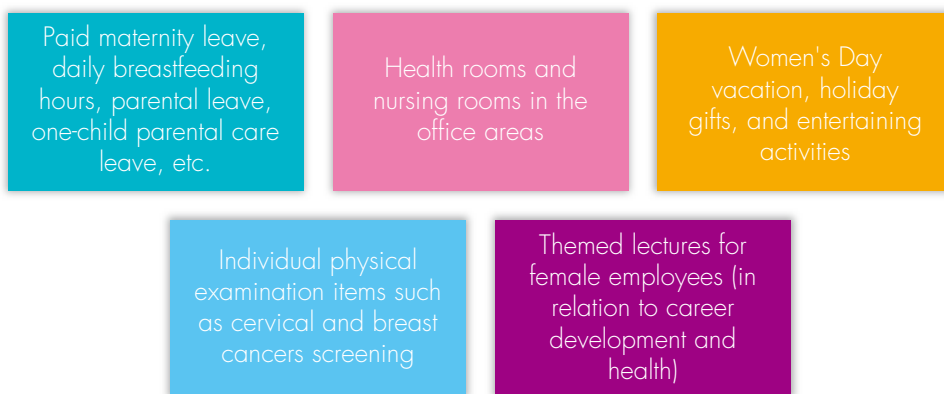
The proportion of employees in different regions



4. IDENTIFY AND APPOINT THE MERITORIOUS, CULTIVATING A SOUND ENVIRONMENT FOR TALENT DEVELOPMENT

Legend Holdings complies with the *Special Rules on the Labor Protection of Female Employees* to safeguard the rights of female employees. Levima Advanced Materials has signed the *Agreement on Protecting the Special Rights of Female Employees* with the company's Labor Union to strictly implement Labor protection, medical treatment, and other benefits for female employees during their pregnancy, maternity leave, and lactation.

Measures of Legend Holdings for the Protection of the Rights of Female Employees



Legend Holdings shows full respect to employees' ethnic or regional cultures and religious beliefs and organizes relevant activities, gives gifts or permits welfare leaves during ethnic festivals. The Company safeguards the rights of people with disabilities and sets up barrier-free passages, bathrooms and elevators and other amenities in accordance with the *Barrier-free Environment Creation Law of the People's Republic of China* to provide people with disabilities with barrier-free surroundings.

Raycom Infotech Park: Improving facilities for people with disabilities

To optimize barrier-free infrastructure in the park, Raycom Infotech Park installed the braille marks on buttons of lower-floor elevators in Building B in October 2023 and paved the temporary blind sidewalks out of the north gate of the podium in Building B in December 2023, which stretched to the sidewalk of North 4th Ring Road of Beijing and joined together with the municipal blind sidewalk. In addition, Raycom invited the staff from the Foundation for People with Disabilities to evaluate the barrier-free facilities in the park and will improve the barrier-free facilities in the park based on the evaluation results.

As a signatory of the *Luxembourg Diversity Charter*, BIL specifies the diversity policies and carries out active action. BIL's employees come from many countries or regions, including multigender groups. BIL focuses on issues such as gender equality, organizes exchange activities with multi-culture themes for all employees, and establishes inclusive workplaces to improve the working experience of employees from different backgrounds.

BIL: Diversity targets

On International Women's Day 2023, BIL signed the *Women in Finance Charter* and set a quantitative diversity target, i.e., to further increase the proportion of female executives (from 24.8% in 2023 to 26% by 2024 and to 30% by 2028).

Lenovo advocates diverse and inclusive culture, sets up the Diversity and Inclusion Committee, and sets the diversity goals to further advance its executive representation of women globally and US underrepresented racial and ethnic groups. The Company has formulated an internal plan for talent retention and diverse talent training. The plan includes three key segments: i) The talent acquisition (TA) team of Lenovo makes sure to present a list of diverse candidates to the recruitment managers who carry out equitable interviews; ii) Career development projects for senior executives from different backgrounds are carried out; iii) An annual pay equity review is conducted to ensure income equity for employees of different genders and ethnic groups.

OCCUPATIONAL HEALTH AND SAFETY

Occupational Health System

The Company strictly complies with the *Production Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, and relevant local laws and regulations of overseas markets, and conducts the occupational health and safety management of employees. As of the end of the Reporting Period, the global manufacturing sites of Lenovo and the production bases of Levima Advanced Materials have passed the certification of ISO 45001: 2018 Occupational Health and Safety Management System. During the Reporting Period, there were no safety accidents such as fires, explosions, chemical poisoning, or occupational diseases at the Company, and there was no work-related fatality.



4. IDENTIFY AND APPOINT THE MERITORIOUS, CULTIVATING A SOUND ENVIRONMENT FOR TALENT DEVELOPMENT

Key Health Management Actions of Legend Holdings

<p>Occupational Disease Risk Identification and Prevention</p>	<ul style="list-style-type: none"> Legend Holdings identifies potential risks and hazards in operations through standard management procedures, which are used as bases for regular monitoring and daily monitoring of occupational disease hazards, creating health monitoring files for employees, implementing recommendations for handling occupational health physical examination reports, and organizing regular occupational disease prevention publicity campaigns and training sessions. Levima Advanced Materials has formulated and implemented such occupational disease prevention and control systems as the <i>Three Simultaneities System for Construction Projects</i> and the <i>Occupational Hazard Inspection and Evaluation Management System</i>, provided employees with articles for labor protection and guidance on how to use them correctly, carried out the regular classified control of occupational hazard risk, and investigation of hidden occupational hazards, created health monitoring files for employees and monitored the key employees every year. BIL appointed the Designated Worker to undertake the occupational health management of employees, evaluate their occupational health status, organize the occupational health and safety training, and promote the risk evaluation and hazard prevention of occupational diseases.
<p>Medical Security and Facilities</p>	<ul style="list-style-type: none"> Legend Holdings and its subsidiaries have established their health service systems. The measures carried out by Legend Holdings include a series of medical protection such as green channels for medical consultation, disease consultation and occasional health-themed activities, all of which have been incorporated into the above-mentioned company's supplementary welfare system. Raycom has installed AED facilities in its property service areas.
<p>Mental Health</p>	<ul style="list-style-type: none"> Legend Holdings attends to the mental health of its employees and holds occasional seminars on psychological knowledge. Levima Advanced Materials has continuously optimized the employee health service and care system, conducted mental health counseling for employees and improved the employee mental health services. BIL has an "Employee Care" team which focuses on prevention and management processes for mental health problems to anonymously communicate with in-service employees and accompany employees during major incidents (e.g. death and suicide).

Safe Production and Operation

Legend Holdings is committed to creating healthy and safe office and production environments for employees. Involved in investment, management, finance, and property management-related businesses, Legend Holdings, BIL and Raycom mainly consider occupational health factors in the office environment. As Lenovo and Levima Advanced Materials have manufacturing businesses related to electronics, telecommunications equipment and chemical materials, attention has to be paid to the safety and health status of employees in the production processes in addition to those working in offices.

With regard to a healthy work place, the Company has made a continuous effort to strengthen the management of administrative processes and to optimize health facilities and services in office areas. Legend Holdings, Raycom and BIL pay attention to employees' health in the offices, thus providing air cleaning facilities, ergonomic desks and chairs, plants in offices, etc., as well as indoor activity space and exercise equipment, to create a healthy and comfortable office environment for employees.

In terms of production safety, the Company has set up production safety management systems based on operational needs. Levima Advanced Materials has constructed a safety informatization system, which uses technologies like automatic equipment for online monitoring to achieve control of production processes safety and equipment fault monitoring, early warning and maintenance, ensuring the safe and stable operation of production devices. The company has implemented a safe production morning meeting system and continuously carried out safety training for all employees.

Lenovo has established the Occupational Health and Safety (OHS) management system, implementing international workplace safety standards. Lenovo's global manufacturing sites have been inspected by a certified third-party agency, passing the three ISO certifications for Quality, Environment and Occupational Health and Safety. Through a process of planning, education, controls, performance evaluation, and continuous improvement, health and safety programs are integrated into Lenovo's global manufacturing activities.



4. IDENTIFY AND APPOINT THE MERITORIOUS, CULTIVATING A SOUND ENVIRONMENT FOR TALENT DEVELOPMENT



OHS Management Process of Lenovo

In terms of emergency management, Legend Holdings and Raycom have formulated the *Emergency Plan Manual* to standardize management criteria for emergency response. Legend Holdings has distributed emergency supply containers to all employees as material support for emergency rescue and response to ensure the safety of employees.

All BIL employees were automatically signed up for Luxembourg Air Rescue (LAR), a non-governmental organization. When necessary, LAR would provide professional rescue and support, including repatriation by air. Besides, BIL carried out multi-level safety education programs that covered the headquarters, subsidiaries and all employees. BIL built emergency passages, formulated evacuation plans, equipped itself with emergency equipment, and continuously perfected the construction of the emergency evacuation system.

Lenovo's Emergency Response Team (ERT) collaborates with the facilities management department to design an emergency plan that specifies the appropriate response to unexpected events to minimize related risks and ensure the safety of employees. This plan is further supplemented by training on first aid and Cardiopulmonary Resuscitation (CPR), helping employees deal with emergencies.

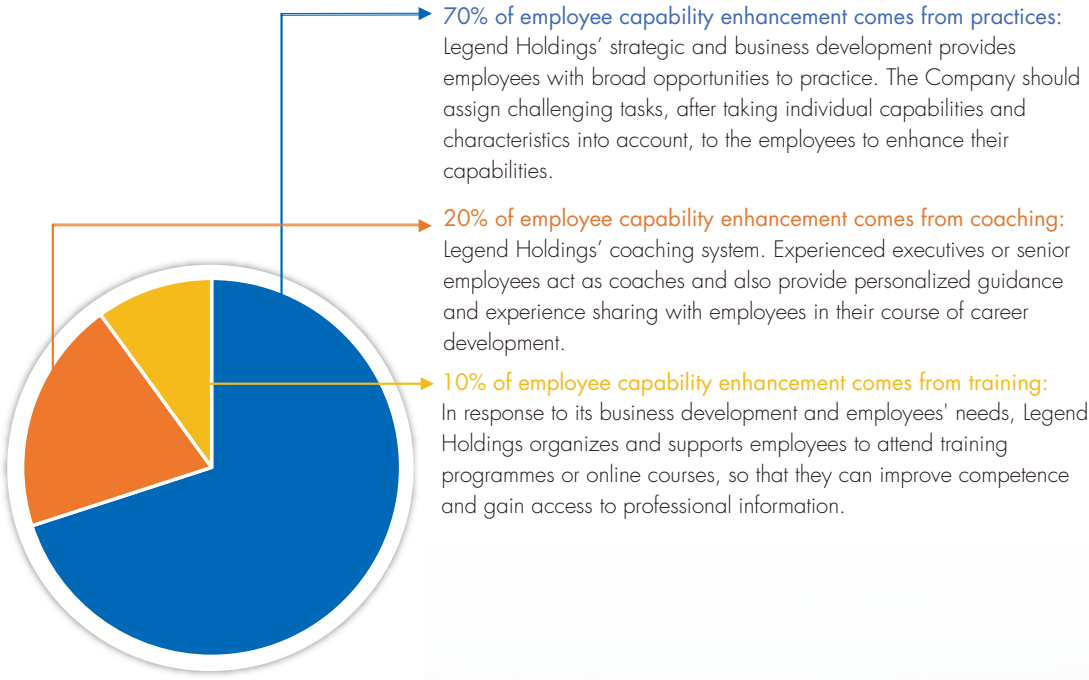
Levima Advanced Materials revised the *Emergency Management Measures*, clarifying the frequency requirements for emergency plan drills. It revised the comprehensive emergency plan for production accidents, special emergency plans, and on-site handling plans, further improving the emergency management system. During the Reporting Period, Levima Advanced Materials conducted a total of over 600 occupational health and safety emergency drills.

EMPLOYEE TRAINING AND DEVELOPMENT

Talent Development and Training

Legend Holdings has constructed the talent development system according to the "7-2-1" principle and facilitates the growth of talent through a variety of methods for capability improvement, such as practices, mentoring by senior personnel, and themed training.

"7-2-1" Principle for Talent Development System of Legend Holdings



The Company has established an internal training system based on its business development and the needs of employees at different levels for capability improvement to provide employees with diversified career development support and develop into a learning-oriented organization.



4. IDENTIFY AND APPOINT THE MERITORIOUS, CULTIVATING A SOUND ENVIRONMENT FOR TALENT DEVELOPMENT

Talent Training System of Legend Holdings

Training of senior leadership

- In response to the Company's major business decision-making needs: hold regular meetings of decision makers to discuss and communicate on the Company's key businesses.
- In response to the Company's development and senior management training needs: invite external experts to carry out training sessions on national macro situation and policies.

Training of mid-level and primary employees

- In response to the professionalism and general skill improvement needs of all mid-level and primary employees: hold sessions for sharing cutting-edge information in the industry and skill theme training sessions from time to time.
- In response to the business capability enhancement needs of employees of all departments: carry out various types of intradepartmental training sessions on expertise.
- In response to new employees' needs to adapt to the work scenario: carry out orientations and corporate cultural literacy trainings.

Legend Holdings established a management institute and built a learning exchange platform for its subsidiaries to continuously share organizational culture and management experience with subsidiaries and investee enterprises, empower their organizational development and management capability enhancement, and promote the joint development of all subsidiaries.

Legend Holdings: Organizing a cultural training project for new employees

In May 2023, Legend Holdings' Management Institute held a corporate culture "molding" training for new employees, with 47 participants from Legend Holdings and its subsidiaries. Based on the retention of historical experience, the newly revised "molding" training actively creates an equal, open, learning-application integrated, sharing and interactive learning mode, helping new employees understand the Company and recognize and inherit corporate culture.



Group Photo for "Molding" Participants

Legend Holdings: Creating a learning exchange platform for the professional teams of its subsidiaries

Legend Holdings' Management Institute built the "Torch Relay" learning exchange platform for the cultural construction and HR teams of subsidiaries, promoting skill exchange, information sharing, and relationship enhancement among professionals and continuously enhancing job value. In 2023, under the theme of "Exploring New Practices in Organizational Learning and Talent Development", the platform shared real and vivid cases from subsidiaries from the two perspectives of "transformation" and "empowerment"



Group Photo of "Torch Relay" Participants

Core Talent Training Programs of Legend Holdings' Subsidiaries

<p>Lenovo</p>	<p>Lenovo has enhanced its management and leadership development program to provide support for managers during their leadership progression by offering specific training experiences. Examples include the Executive Presence Workshop (EPW), Director Leadership Enhancement Program (DLEP), Manager Leadership Enhancement Program (MLEP), Impactful Leadership in Complex Environments (ILCE), Women's and Mosaic Leadership Development Programs (WLDP/MLDP).</p>
<p>BIL</p>	<p>BIL offers both online and offline, internal and external training modes for its employees, covering a range of topics such as leadership and professional skills. In 2023, it rolled out training sessions on the usage of the new core banking system, investment skills and ESG themes, etc., aiming to boost the professional capabilities of its employees.</p>
<p>Levima Advanced Materials</p>	<p>Levima Advanced Materials established a multi-tier talent group, organizing talent training projects according to a talent echelon development system. It provided external advancement plans (including participation in the EMBA/MBA programs of renowned business schools) for mid- to high-level management personnel, the program "Young Cadre Class" for young talent, and professional skill enhancement training programs for key personnel across business lines.</p>

4. IDENTIFY AND APPOINT THE MERITORIOUS, CULTIVATING A SOUND ENVIRONMENT FOR TALENT DEVELOPMENT

Talent Assessment and Promotion

Legend Holdings has developed and refined career development paths, and enhanced performance assessment and feedback mechanisms to support employees in achieving greater success throughout their careers. It further clarifies the talent development strategy through talent review, contributing to long-term organizational growth.

Key Measures for Talent Assessment and Promotion of Legend Holdings

<p>Establish and improve career development paths</p>	<ul style="list-style-type: none"> • Dual career development paths for management and technical directions are set up vertically according to the types of responsibilities, and multiple lateral forms such as job transferring and internal post filling through competitive selection are available to offer assistance to employees in changing career paths. Legend Holdings, Raycom and BIL focus on the cultivation of professional managers. Lenovo and Levima Advanced Materials vigorously seek production and technical talent in addition to cultivating management talent.
<p>Improve performance evaluation and feedback mechanisms</p>	<ul style="list-style-type: none"> • Legend Holdings prioritizes the communication between department heads and employees during performance appraisal processes. Department heads are required to offer feedback after mid-year performance reviews and year-end performance assessments, with the outcomes influencing the final determination of employees' target bonuses. • Lenovo has established employee performance ratings and Individual Performance Modifier (IPM) to help employees learn about their performance levels and make it clear to the Company about their positioning. • BIL launched a "Career Dialogue" process in 2023 on top of its performance and promotion evaluation mechanism characterized by level-by-level review and feedback, providing employees a chance to discuss their career aspirations with managers and receive more targeted career development support. In total, around 450 employees initiated their career dialogue in 2023. • Levima Advanced Materials conducts regular performance assessments, applying distinct assessment models for different business lines and setting improvement goals, measures and timelines for employees who fail to meet performance objectives.
<p>Regular talent review</p>	<ul style="list-style-type: none"> • Legend Holdings annually conducts regular reviews of employees by number of persons, qualification and composition, evaluates their capabilities by performance and potential and other dimensions, and discusses key issues in talent management. The outcomes of the talent review assist in the organizational building and support employee career planning. • Levima Advanced Materials conducts a talent review for all staff every 2 to 3 years on average, with temporary reviews of talent launched for specific work needs. Employees are evaluated across multiple dimensions such as performance, potential and quality, with training and development plans formulated based on talent review outcomes.

Levima Advanced Materials' 2023 Talent Review

During the Reporting Period, Levima Advanced Materials carried out a talent review for employees who were university graduates hired within the past two years, and for those at the manager level and above, with a total of 503 individuals reviewed. In this talent review, tools such as experience maps and nine-box grids were utilized to review participants' aspects such as work experiences, performance, ability and quality, and potential for growth. By evaluating the talent review results, the company identified a list of mid-level and grassroots employees with excellent performance and young key employees with high potential, clarifying their development paths and providing a valuable basis for future lateral mobility of employees within the company.

Following the talent review results, the company launched a series of "Young Cadre Class" training sessions and rotation programs like "Cadre Class Projects" for mid-level key personnel, offering key personnel opportunities for post rotation and new projects and providing them with a broader platform for development.





CONSOLIDATE
COLLECTIVE
ENDEAVORS,
CO-CREATING
A BENEVOLENT
AND IMPROVED
SOCIETY



5. CONSOLIDATE COLLECTIVE ENDEAVORS, CO-CREATING A BENEVOLENT AND IMPROVED SOCIETY

The Company always strives to become a “trusted and respected” enterprise. It has incorporated corporate social responsibility into the overall development strategy and promoted its commercial and social values in line with the demands of the Party and the nation along with its distinctive characteristics, and it takes tangible actions to fulfill social responsibilities, contributing to a harmonious society beneficial to all.

EMPOWERING RURAL REVITALIZATION

Empowering Rural Education

Talented people are crucial for rural revitalization. Cultivating talented people is the driving force for rural revitalization. Since 2004, Legend Holdings has taken on the responsibility of funding tuition and living expenses for senior high school students from low-income families in Huining, Gansu Province,

Duyun, Guizhou Province, and Liupanshan, Ningxia Hui Autonomous Region, and organized a series of empowering training activities to help students expand their vision and improve their comprehensive competence and accessibility to higher education. Looking forward, Legend Holdings is committed to building upon the success of the “Legend Enterprising Class” to further amplify its investment in rural education and contribute to cultivate more talents in the local rural communities.

As of the end of 2023, the “Legend Enterprising Class” has spread across five provinces and cities including Beijing, Gansu, Guizhou, Sichuan, and Ningxia. This initiative has welcomed over 3,000 students from economically disadvantaged backgrounds into this warm family, with more than 2,400 of them going on to pursue higher education at universities.



Opening Ceremony of “Legend Enterprising Class”



Empowerment Lecture of “Legend Enterprising Class”

Dream Trip of “Legend Enterprising Class” to the 19th Asian Games Hangzhou

Legend Holdings emphasizes both financial aid and holistic quality cultivation in its endeavors of supporting rural education. The Company seeks to provide students and teachers with more opportunities to venture beyond their academic and geographic boundaries. In this connection, Legend Holdings launched the “Legend Enterprising Class” Summer Dream Trip Activity.

In September 2023, with the grand opening of the 19th Asian Games in Hangzhou, Legend Holdings specially arranged a unique Dream Trip for the “Legend Enterprising Class” teacher and student representatives from three schools. The Company accompanied them on a journey to Hangzhou, where they witnessed the vibrant and dynamic spirit of Asia’s leading sporting event firsthand. The Company also arranged to visit universities, historical sites, scenic views, and a “future factory” demonstrating intelligent manufacturing. This diverse Dream Trip exposed students to a world outside their textbooks, inspiring them to aim higher, bloom in their youth across the homeland and make a difference on their path forward.



Dream Trip of “Legend Enterprising Class” to the 19th Asian Games Hangzhou

5. CONSOLIDATE COLLECTIVE ENDEAVORS, CO-CREATING A BENEVOLENT AND IMPROVED SOCIETY

Stepping up Industrial Assistance

Since 2018, Legend Holdings has partnered with the China Women's Development Foundation to establish the Revolving Loans for Mother project. This initiative aims to provide small-amount interest-free loans and poverty alleviation funds to help women in rural areas start up their businesses. So far, the project has helped women from low-income families to start businesses with local characteristics in Shuangjiang County of Yunnan Province, Pengshui County of Chongqing Municipality, Yushu City of Jilin Province. These efforts have collectively fostered the local development towards empowering agriculture with high-quality and green products while giving priority to effectiveness.

To gain more insights into the progress of the supported projects, Legend Holdings and the China Women's Development Foundation conducted field visits in April and October 2023 to the women's grass weaving project in Yushu City, Changchun City, Jilin Province, and the vegetable and rice planting projects in Cangyuan County, Lincang City, Yunnan Province. These philanthropic efforts directly aided 140 rural women in the two areas, directly impacting 470 individuals and indirectly facilitating employment for nearly 1,000 people.

As of the end of 2023, the Revolving Loans for Mother project had deployed revolving funds amounting to RMB4.73 million, directly benefiting over 300 women and their families, impacting around 1,500 individuals, and boosting farmers' income by RMB9.02 million.



Legend Holdings and the China Women's Development Foundation Visit the Women's Grass Weaving Project in Yushu, Yunnan



Legend Holdings and the China Women's Development Foundation Visit the Vegetable and Rice Planting Project in Lincang, Yunnan

Levima Advanced Materials: Actively participating in the initiative of “Ten Thousand Enterprises Assist Ten Thousand Villages”

In June 2023, under the guidance of the All-China Federation of Industry and Commerce, Levima Advanced Materials conducted a research visit to Wudu District, Longnan City, Gansu Province – a national key county for rural revitalization. Notably, the district has made significant strides in lifting local residents out of poverty through its thriving oil olive agriculture industry. In August 2023, the company initiated consumption support for agricultural products in Wudu District, Longnan City, purchasing local olive oil products worth nearly RMB400,000 to help farmers increase their income.



Levima Advanced Materials Supports Rural Revitalization in Longnan

PROMOTING TECHNOLOGICAL INNOVATION

Fostering Technological Entrepreneurial Leaders

Legend Holdings and the Chinese Academy of Sciences have jointly initiated the Legend Star since 2008, which aims to identify and nurture technological entrepreneurial leaders through “early investment” and “in-depth incubation” strategies. Its goal is to promote the industrialization of scientific and technological achievements and technological entrepreneurship. In addition, Legend Holdings established the Legend Star Start-up CEO Training Program and Legend Star Entrepreneurship Alliance that assisted in resource sharing among startups and venture capital institutions through free training sessions, promoting the rapid development of technological startups.

Since the launch of the Legend Star Start-up CEO Training Program, Legend Holdings has consistently dedicated an annual training investment of tens of millions of RMB, enrolling a total of 1,298 innovative entrepreneurial talented persons to date. Presently, 55 companies founded by “Star-up Friends” have been listed and there are over 60 founders or senior executives of currently listed companies who have graduated from the program. Furthermore, 122 companies have been recognized as national-level specialized and innovative “little giants”, contributing to nearly 400,000 employment opportunities. This initiative has cultivated an influential entrepreneurship and innovation ecosystem within the country.

5. CONSOLIDATE COLLECTIVE ENDEAVORS, CO-CREATING A BENEVOLENT AND IMPROVED SOCIETY

Legend Star Start-up CEO Training Program

With years of entrepreneurship, management and investment experiences and the intellectual resources of the Chinese Academy of Sciences, Legend Holdings meticulously refines the courses, sticks to supporting public welfare and provides free entrepreneurship training to Chinese entrepreneurs.

As of the end of 2023, a total number of 17,612 enterprise founders applied for the training courses and 1,298 of them were enrolled.

Legend Star Entrepreneurship Alliance

The main members of the Entrepreneurship Alliance include the students of the past Legend Star Start-up CEO Training Program and the Legend Star investees. This is a platform for entrepreneurship, knowledge exchange, problem solving, resource sharing, and win-win cooperation. Diverse entrepreneurship activities and products are introduced as well.

As of the end of 2023, there were 1,298 member enterprises, with over 400 entrepreneurship activities held successfully.



Graduation Ceremony of the 15th Session of Legend Star CEO Training Program and the Opening Ceremony of the 16th Session

Cultivating Technical Personnel with Talent for Technological Innovation

Levima Advanced Materials, is actively engaged in the public welfare of technological innovation education, establishing the “Levima Scholarship” at Changzhou University. In April 2023, the “Levima Scholarship” celebrated its inaugural award ceremony, motivating more exceptional innovative talent to advance boldly and innovate, dedicating themselves to industry construction with proficient and deep professional knowledge and superior practical abilities. The first group of 50 exceptional students were awarded, sharing a total scholarship fund of RMB400,000.



“Levima Scholarship” Award Ceremony



5. CONSOLIDATE COLLECTIVE ENDEAVORS, CO-CREATING A BENEVOLENT AND IMPROVED SOCIETY

PROMOTING SOCIAL INTEGRITY

Legend's Special Fund for Caring Heroic Models and Courageous Persons in the Capital

In 2004, Legend Holdings and its founder, Mr. LIU Chuanzhi, jointly set up the "Legend's Special Fund for Caring Heroic Models and Courageous Persons in the Capital", a public welfare charity fund with the aim of helping and supporting Beijing's heroic models and martyrs as well as the courageous persons and their families, in order to promote social integrity. During the Reporting Period, the "Legend's Special Fund for Caring Heroic Models and Courageous Persons in the Capital" has supported and funded over 200 individuals.

By the end of 2023, Legend Holdings had cumulatively donated RMB26.1 million to the China Women's Development Foundation, aiding the relatives of heroic models and martyrs, exemplary frontline police officers, police officers in financial difficulties, individuals who performed righteous acts, and their families. The project has helped and supported a total of 3,000 individuals.

Moisture Action

The 2023 "Moisture Action" continued its mission, giving financial aid to and supporting 3 heroic models recognized for their righteous deeds. Launched in 2013 by the Legend Holdings Public Welfare Foundation, this initiative aims to recognize and support ordinary individuals or their families for their good deeds by providing rewards or aid. This action seeks to convey the genuine kindness and warmth of the society to them, thereby promoting social integrity and enriching the social atmosphere.

ENHANCING COMMUNITY HARMONY

Legend Holdings' Tree Planting Activity

On April 15, 2023, over 110 employees and their family members from Legend Holdings, seven subsidiaries and CAS Holdings participated in the "Legend Holdings' Tree Planting Activity" in Caijiawa Village, Miyun District, Beijing. Organized jointly by the Legend Holdings Party Committee and the Labor Union, this activity is a traditional brand event that encourages employees to foster environmental awareness and contribute to local ecological and environmental protection as part of their efforts to shoulder corporate social responsibilities.



Legend Holdings' Tree Planting Activity

Raycom’s Activities for Sustainable Development

Raycom Infotech Park is committed to becoming an ecological office park that offers a lively lifestyle and creating a vibrant community atmosphere through cross-sector exhibitions and diverse community activities.

In December 2023, Raycom Infotech Park hosted the “Curious Planet Culture Festival”, weaving the concept of sustainable development into various activities. For instance, the festival featured environmental-themed activities where participants made ornaments from recycled plastic caps, experiencing the plastics recycling process. The festival established a compassionate community, showcasing Raycom’s charitable actions on exhibition boards, and calling for support for earthquake-affected areas in Gansu. The activity offered free games, which are friendly to people with disabilities and attracted the active and enthusiastic participation of the disabled employees in the park. The gifts distributed in the activities, such as notebooks and coffee cups, were made from reclaimed materials like wheat and straw. The activity encouraged the Park and surrounding communities to participate in sustainable development actions.



“Curious Planet Culture Festival” Plastics Recycling Activity



5. CONSOLIDATE COLLECTIVE ENDEAVORS, CO-CREATING A BENEVOLENT AND IMPROVED SOCIETY

FOSTERING VOLUNTEER EFFORTS

Legend Holdings advocates helping others with pleasure and supports the employees' active engagement in voluntary actions. On June 1, 2023, Legend Holdings, together with its philanthropic partner People's Daily Digital Communication Co., Ltd., visited Wangjiagou Hui Primary School in Luanping Town, Chengde City, Hebei Province, and brought new educational and teaching equipment to the school, assisting in improving their learning conditions. Volunteers played games with children there, creating a joyful Children's Day filled with laughter.



Legend Holdings Volunteers Play Games with Children

Employee Volunteer Activities of Legend Holdings' Subsidiaries in 2023

<p>Lenovo</p>	<ul style="list-style-type: none"> • Humanitarian Assistance <p>Lenovo's philanthropy team assisted in tackling natural and humanitarian disasters. For example, Lenovo has assisted refugees affected by humanitarian conflicts in Europe, earthquakes in Turkey and Syria, floods in Pakistan and other disasters.</p> <ul style="list-style-type: none"> • "Love on" Employee Donation and Welfare Platform <p>Launched in 2021, the "Love on" platform enables Lenovo employees to engage in charitable and public welfare activities, supported by volunteer benefits and matching gift benefits. During the Reporting Period, Lenovo's employees completed 48,054 hours of volunteer services.</p>
<p>Levima Advanced Materials</p>	<p>The "Levima Foundation", a public welfare organization of Levima Advanced Materials, conducted activities to care for orphaned and disabled children. Volunteers visited the Zaozhuang Municipal Children's Welfare Institute quarterly for volunteer activities, bringing necessary supplies such as diapers, clothing and laundry detergents to the children, and providing support to them wherever possible.</p>
<p>BIL</p>	<p>Focusing on health, education and environmental protection and other sectors, BIL's public welfare activities include several health-related events organized by employee volunteers, such as themed activities on life relaxation and supporting cancer research through running and other sports activities.</p>



QUANTITATIVE PERFORMANCE TABLE

CORPORATE GOVERNANCE PERFORMANCE

Economic Performance

Indicators	Unit	2021	Legend Holdings 2022	2023	Raycom 2023	Levima Advanced Materials 2023	BIL 2023	Lenovo FY2022/23
Revenue ¹	RMB10,000	48,987,167.70	48,366,269.70	43,601,216.61	74,351.86	677,758.54	612,688.31	43,875,098.28

¹ The financial data of Legend Holdings corresponds to its revenue in the annual report and covers the same scope as the consolidated financial statements. The revenue of Lenovo corresponds to its financial data for the 22/23 fiscal year. To ensure the consistency of data calculation and the validity of indicators, all data of Legend Holdings related to "calculated by operating income" in the density index of Legend Holdings are calculated based on the sum of the revenues of Raycom, Levima Advanced Materials and BIL, so as to be consistent with the coverage of the corresponding data of the numerator index as much as possible.

Business Ethics

Indicator	Unit	Legend Holdings		
		2021	2022	2023
Percentage of employees receiving anti-corruption training ¹	%	/	/	50.41
Average hours employees receive anti-corruption training ¹	Hour	/	/	1.44
Percentage of directors receiving anti-corruption training ²	%	100	100	100
Average hours directors receive anti-corruption training ²	Hour	1	1	1

¹ The coverage of anti-corruption training data for employees includes BIL, Levima Advanced Materials, Joyvio, Zhengqi Holdings, Legend Star, JC Finance & Leasing, and Shanghai Neuromedical Center.

² The anti-corruption training received by the directors refers to the integrity education received by members of the Board of Directors of Legend Holdings.

SOCIAL PERFORMANCE

Note: The scope of data for social performance in 2023 is Legend Holdings and its subsidiaries (excluding Lenovo) in the consolidated financial statements. 2023 has been retrospectively updated the data of 2022, the data disclosed in the current year shall prevail. "/" represents uncounted indicator.

Recruitment and Employment

Indicator	Unit	2021	2022	2023
Total number of employees	Person	19,376	19,336	20,081
By employment type				
Full-time	Person	17,182	17,915	19,136
Part-time ¹	Person	2,194	1,421	945
By gender				
Male	Person	9,092	9,373	9,416
Female	Person	10,284	9,963	10,665
By age				
Below 21 years old	Person	204	166	5,500
21-30 years old	Person	5,003	5,075	
31-40 years old	Person	6,577	6,743	7,071
41-50 years old	Person	4,536	4,482	4,599
Above 50 years old	Person	3,056	2,870	2,911
By region				
Chinese Mainland	Person	14,819	14,601	15,853
Hong Kong, Macau, and Taiwan	Person	28	30	39
Europe	Person	1,815	1,890	2,016
Other areas	Person	2,714	2,815	2,173
Labor contract signing rate	%	/	100.00	100.00
Social insurance coverage	%	/	97.37	100.00
Number of human rights and compliance employee complaints investigated	-	/	1	0
Number of employees participating in anti-discrimination related training ²	Person	/	965	2,405
Number of hours employees participated in anti-discrimination training ²	Hour	/	508	5,003

¹ In 2023, the number of kindergartens under Better Education Group Corporation ("Better Education"), a subsidiary of the Company, decreased, resulting in a reduction in the number of part-time workers.

² In 2023, the Company consistently intensified anti-discrimination training, resulting in improved relevant data for this year.

QUANTITATIVE PERFORMANCE TABLE

Employee turnover

Indicator	Unit	2021	2022	2023
Turnover rate ¹	%	/	28	28
By gender				
Male	%	25	20	20
Female	%	50	36	35
By age				
Below 21 years old	%	27	39	39
21-30 years old	%	13	35	
31-40 years old	%	9	26	24
41-50 years old	%	7	24	21
Above 50 years old	%	9	26	27
By region				
Chinese Mainland	%	43	29	29
Hong Kong, Macau, and Taiwan	%	18	7	3
Europe	%	14	17	16
Other areas	%	6	33	28

¹. Employee turnover rate = Number of employees lost in the year / (0.5 * (Total number of employees at the beginning of the year + Total number of employees at the end of the year)) × 100%.

Occupational Health and Safety

Indicator	Unit	2021	2022	2023
Working days lost due to work-related injury ¹	Day	2,656	1,451	1,408
Work-related death rate ²	%	0.00	0.00	0.00
Percentage of employees on health and safety training ^{1 3 5}	%	/	66.84	69.26
Average training hours completed per employee on health and safety ^{1 4 5}	Hour	/	21.48	76.22

1. Joyvio, the subsidiary of Legend Holdings is involved in animal farming business, most of the employees in this business line are frontline processing plant and farm workers, there is a risk of accidental injury in the course of the workers' work environment, hence the figure for "Working days lost due to work-related injury" is relatively high. The company has compensated the employees according to the work injury recognition. The 2022 data for Joyvio, which included figures for "Working days lost due to work-related injury" "Percentage of employees on health and safety training" and "Average training hours completed per employee on health and safety" have since been retrospectively updated.
2. Work-related death rate = Deaths at work/Total number of employees × 100%.
3. Percentage of employees on health and safety training = Number of employees on health and safety training/Total number of employees × 100%.
4. Average training hours completed per employee on health and safety = Total training hours of employees on health and safety/Total number of employees on health and safety related training.
5. In 2023, the scope of data on employees completing health and safety training is expanded to include the Company's subsidiary Levima Advanced Materials, while the Company continued to strengthen its health and safety training efforts, leading to an increase in the related data for this year.

Employee Training and Development

Indicator	Unit	2021	2022	2023
Training coverage rate of employees ¹	%	100.00	97.99	98.04
By gender²				
Male	%	60.36	46.78	97.55
Female	%	39.64	53.22	98.48
By grade²				
Senior management	%	2.26	1.93	99.19
Middle management	%	13.17	10.48	95.85
Junior employees	%	84.56	87.35	98.26
Average training hours per employee ³	Hour	/	32.26	41.22
By gender⁴				
Male	Hour	6.08	40.58	55.45
Female	Hour	4.25	24.45	28.65

1. Training coverage rate of employees = Total number of employees trained/Total number of employees × 100%.
2. In 2021 and 2022, the calculation formula was: Percentage of employees trained in a certain category = Number of employees trained in that category/Total number of employees trained × 100%. Starting from 2023, referencing the Environmental, Social and Governance Reporting Guide of HKEX, this calculation formula has been adjusted to: Percentage of employees trained in a certain category = Number of employees trained in that category/Number of employees in that category × 100%.
3. Average training hours per employee = Total training hours of employees/Total number of employees × 100%.
4. Average training hours per employees in a certain category = Total training hours of employees in that category/Number of employees in that category × 100%.

QUANTITATIVE PERFORMANCE TABLE

Supply Chain Management

Indicator	Unit	2021	2022	2023
Total number of suppliers	–	1,179	10,070	10,691
Number of suppliers from Chinese Mainland	–	1,176	5,967	6,662
Number of suppliers from Hong Kong, Macau, and Taiwan	–	1	25	27
Number of suppliers from Europe	–	0	1,697	1,617
Number of suppliers from other areas	–	2	2,381	2,385
Number of suppliers conducting ESG/CSR/sustainability assessments ¹	–	/	288	988

^{1.} In 2023, the scope of data on number of suppliers conducting ESG/CSR/sustainability assessments is expanded to include the Company's subsidiary Levima Advanced Materials, while the Company continued to strengthen their management of suppliers' sustainable development, resulting in a noticeable increase in related data this year.

Customer Relationship Management

Indicator	Unit	2021	2022	2023
Percentage of products sold or shipped that are subject to recall due to safety and health concerns	%	/	0.90	0.06
Number of complaints received about products and services ²	Cases	485	1,137	1,034
Complaint handling rate for products and services received	%	100	100	100
Total number of confirmed incidents of IPR infringement	Cases	0	0	0
Number of complaints arising from breaches of customer information security and privacy protection regulations and loss of customer data	Cases	0	0	0

^{1.} In 2023, the value of this indicator is only generated by Joyvio, a subsidiary of the Company, within the scope of the social performance table, neither Legend Holdings nor its other subsidiaries have any product recall-related events or are mainly involved in the provision of services and are not involved in the manufacture of products. Joyvio is involved in the frozen seafood business and seafood products are subject to temperature changes during transportation, which affects quality and quantity. Customers refused these products due to concerns over food safety. In 2023, Joyvio continuously improved its processes, resulting in a decline in the recall rate compared to that of 2022.

^{2.} The coverage of number of complaints received about products and services includes Joyvio and BIL.

Social Good and Voluntary Action

Indicator	Unit	2021	2022	2023
Total charitable donations	RMB 10,000	/	13,400	14,415
Organizing volunteer activities	–	/	103	143
Number of participants in volunteer events	person-time	/	2,490	3,048
Total cumulative hours of volunteer activity	Hour	/	11,291	13,368

ENVIRONMENTAL PERFORMANCE

Note: In terms of environmental performance, Legend Holdings' various indicators correspond to the statistical range of data from 2021 to 2023, which includes Raycom (including Legend Holdings headquarters), Levima Advanced Materials, and BIL. Raycom's data covered the Raycom Infotech Park, including public areas, office buildings with operational control, and commercial rental areas; Levima Advanced Materials' data covered Levima Advanced Materials and its subsidiary Levima Chemical; BIL's data covered its headquarters and branches; The corresponding data for various indicators of Lenovo came from its 2022/23 fiscal year, and the data coverage was detailed in the *Lenovo 2022/23 Environmental, Social and Governance Report (Lenovo's ESG Report)*; due to the inconsistency between the time range of Lenovo's ESG Report and that of this report, the corresponding data was not consolidated into Legend Holdings' 2023 annual performance; and if the disclosure method and accuracy of the disclosed data are inconsistent with the Lenovo's ESG Report for the 2022/23 fiscal year, the Lenovo's ESG Report shall prevail.

Energy Management¹

Indicators	Unit	Legend Holdings			Raycom	Levima Advanced Materials	BIL	Lenovo
		2021	2022	2023	2023	2023	2023	FY2022/23
Total energy consumption ²	MWh	26,991,564.00	16,680,962.04	13,251,723.85	46,182.83	13,194,617.23	10,923.78	406,158.00
Direct energy consumption ³	MWh	26,221,333.34	15,937,769.39	12,476,987.67	2,481.63	12,471,952.61	2,553.43	29,165.00
Coal ⁴	ton	1,800,412.80	1,831,618.94	1,767,924.52	0.00	1,767,924.52	0.00	0.00
Natural gas	m ³	935,875	658,389	701,551	227,526	200,447	273,578	1,878,143
Gasoline ⁵	Liter	74,066.00	61,738.00	43,735.75	1,021.00	42,713.75	0.00	36,835.07
Diesel ⁶	Liter	317,530.35	262,101.52	314,152.80	1,200.00	312,949.42	3.38	52,655.97
Indirect energy consumption ⁷	MWh	770,230.66	743,192.65	774,736.18	43,701.21	722,664.62	8,370.35	376,993.00
Purchased electricity	MWh	762,720.65	736,141.82	768,371.28	37,699.54	722,664.62	8,007.12	349,118.00
Purchased renewable electricity	MWh	6,463.56	8,337.85	20,007.12	12,000.00	0.00	8,007.12	0.00
Self-built photovoltaic power generation	MWh	0	0	0	0	0	0	13,333.00
Purchased steam ⁸	GJ	0	0	1,308	0	0	1,308	50,269
Purchased heat	GJ	27,036	25,383	21,606	21,606	0	0	2,081
Energy consumption density ⁹								
By revenue	MWh/ RMB10,000	20.98	12.19	9.71	0.62	19.47	0.02	0.01
By area	MWh/m ²	/	/	/	0.190	/	0.264	/

QUANTITATIVE PERFORMANCE TABLE

1. Since the Company ceased using gas from 2022 onwards, this metric is no longer disclosed in 2023. The energy types and statistical methods included in Lenovo's energy measurement are also different from other subsidiaries. Only basic information is provided here, and detailed information can be found in its ESG report for the 2022/23 fiscal year.
2. Based on the availability level of data, the total energy consumption is calculated as the sum of "direct energy consumption" and "indirect energy consumption".
3. The types of direct energy (fuel) included in the calculation include coal, natural gas, gasoline, diesel; in addition, Levima Advanced Materials' use of a small amount of fuel gas and liquefied petroleum gas has not yet been included in the disclosure scope. Among them, Raycom selects the lower heating value of the fuel referring to the *China Energy Statistical Yearbook 2021* (the upper limit value in the reference range of natural gas); the Levima Advanced Materials' internal actual value is taken as its lower heating value of the fuel; the selection of the lower heating value of the fuel for BIL is based on EU energy in figures – *Statistical Pocketbook 2022* and *COMMISSION IMPLEMENTING REGULATION (EU) 2018/2066*, while the density of natural gas is based on US DOE/EIA at 0.7 kg/m³ (the quantification results may differ from the internally confirmed statistical calculation values, subject to the disclosed values in the sustainability report separately released by BIL in the future).
4. Coal consumption includes the power coal (brown coal) and raw coal (washed coal) used by Levima Advanced Materials.
5. The total amount of gasoline consumption corresponds to the total amount of gasoline consumed by each subsidiary's own vehicles during operation.
6. The total diesel consumption includes the total amount of diesel consumed by each subsidiary's own vehicles during operation, the consumption by Raycom's diesel backup generators during operation, and the consumption by Levima Advanced Materials' boiler ignition and forklift.
7. The types of indirect energy calculated include purchased electricity, self-built photovoltaic power generation, purchased steam, and purchased heat.
8. During the Reporting Period, Levima Advanced Materials' steam consumed sources from those generated by its own coal combustion, and no steam has been purchased.
9. Density data calculated based on operating income may not necessarily comprehensively characterize and track the emission performance of subsidiaries under actual operating conditions. Therefore, non-production enterprises such as Raycom and BIL need to collect and disclose greenhouse gas emission density data calculated based on operating area for meaningful comparison and analysis; Legend Holdings is not applicable to calculation of density values based on total operating area, so the corresponding indicators are marked with "/". Among them, the operating area of Raycom in 2023 was calculated based on the total building area of Blocks A, B, and C of Raycom Info Tech Park (including public areas and office buildings with operational control and commercial rental areas, including Legend Holdings headquarters) (i.e. 242,494 m²), while the operating area of BIL was calculated based on the total net internal area of its headquarters, branches, and subsidiaries operated in Luxembourg (i.e. 41,366 m²); the data related to density indicators 'calculated by operating area' were the same below.

Greenhouse Gas Emissions

Indicators	Unit	2021	Legend Holdings 2022	2023	Raycom 2023	Levima Advanced Materials 2023	BIL 2023	Lenovo FY2022/23
GHG emissions ¹	tCO ₂ e	3,741,106	3,715,571	3,908,028	17,531	3,888,610	1,887	208,743
GHG emissions in Scope 1 ²	tCO ₂ e	3,071,620	3,060,493	3,251,582	498	3,249,558	1,526	6,303
GHG emissions in Scope 2 ³	tCO ₂ e	669,487	655,078	656,446	17,033	639,052	361	202,440
GHG emission density								
By revenue	tCO ₂ e/ RMB million	290.79	271.44	286.34	23.58	573.75	0.31	0.48
By area	tCO ₂ e/m ²	/	/	/	0.072	/	0.249	/
GHG emission density in Scope 1								
By revenue	tCO ₂ e/ RMB million	238.75	223.58	238.25	0.67	479.46	0.25	0.01
By area	tCO ₂ e/m ²	/	/	/	0.002	/	0.037	/
GHG emission density in Scope 2								
By revenue	tCO ₂ e/ RMB million	52.04	47.86	48.10	22.91	94.29	0.06	0.46
By area	tCO ₂ e/m ²	/	/	/	0.070	/	0.009	/

QUANTITATIVE PERFORMANCE TABLE

1. The total amount of greenhouse gas emissions includes those in scope 1 and scope 2. Due to the different industries and business types of subsidiaries, the types of emission sources included in calculation of greenhouse gas emissions may also vary. Therefore, the changes in this data may not necessarily fully correspond to the changes in energy consumption as follows.

In addition, BIL and Lenovo have also conducted accounting for material scope 3 (indirect value chain) emissions. BIL has entrusted third-party institutions to account for its scope 3 emissions since 2021, including emissions related to employee commuting, capital products, purchased goods and services, and financing emissions; Lenovo has disclosed its scope 3 accounting data since the 2017/18 fiscal year, which includes: business travel, upstream transportation and distribution, waste treatment, employee commuting, purchased goods and services, fuel and energy related activities (not included in scope 1 or 2), use of sold products, disposal of sold products, capital products, and other categories. The accounting results were detailed in its ESG report for the 2022/23 fiscal year.

2. The greenhouse gas emissions for scope 1 of Raycom and Levima Advanced Materials in 2023 were preliminary estimates, and the relevant data will be retrospectively updated after complete accounting is conducted and corresponding accounting reports/verification statements are obtained.

Methodology, gas types, emission factors, and other parameter related information for calculating scope 1 greenhouse gas emissions:

– Raycom: Reference is given to ISO 14064-1:2018 and the *General Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprises* (GB/T 32150-2015) to calculate the fixed combustion of natural gas, the operation of diesel backup generators, and the emissions caused by the use of gasoline in self-owned transportation vehicles; the type of gas included in the calculation is CO₂; the calculation of emission factors for natural gas, diesel, and gasoline is based on the *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions by Enterprises – Power Generation Facilities* (2022), and the selection of the lower heating value is based on the *China Energy Statistical Yearbook 2021*; the densities of diesel and gasoline are 0.85 kg/L and 0.74 kg/L respectively based on US DOE/EIA;

– Levima Advanced Materials: Reference is given to ISO 14064-1:2018 and the *General Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprises* (GB/T 32150-2015) to calculate the emissions caused by fixed combustion of fuels, torch combustion, and industrial production processes; the type of gas included in the calculation is CO₂; the emission factors of fuel and emissions from torch combustion and industrial production process are calculated based on the *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions from Chinese Chemical Production Enterprises (Trial)* (2013), and the internal actual value is taken as its lower heating value of the fuel;

– BIL: Reference is given to ISO 14064-1:2018 and *EMEP/EEA Air Pollutant Emission Inventory Guidebook 2019* to calculate the fixed combustion of natural gas and the emissions caused by the use of diesel in self-owned vehicles; the type of gas included in the calculation is CO₂; the emission factors for natural gas are calculated based on *COMMISSION IMPLEMENTING REGULATION (EU) 2018/2066*, while the calculation of emission factors for diesel is based on the values of emission factors of road traffic fossil fuel in *EMEP/EEA (2019) 1.A.3.b.i-iv* (Tier 1 method); the densities of natural gas and diesel are 0.7 kg/m³ and 0.85 kg/L respectively based on US DOE/EIA;

3. Methodology, gas types, emission factors, and other parameter related information for calculating scope 2 greenhouse gas emissions:

– Raycom: Reference is given to ISO 14064-1:2018 and the *General Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprises* (GB/T 32150-2015) to calculate indirect emissions caused by the purchased electricity and heat; the type of gas included in the calculation is CO₂; the emission factor of purchased electricity is taken as 0.5703 tCO₂/MWh in the *Notice on Doing a Good Job in 2023-2025 Reporting and Management of Greenhouse Gas Emissions of Power Generation Enterprises* (2023) issued by the Ministry of Ecology and Environment, and the emission factor of purchased heat is taken as 0.11 tCO₂/GJ in the *Guidelines of Accounting Methods and Reporting for Greenhouse Gas Emissions of Enterprises in Other Industrial Industries (Trial)* (2015); the heat of purchased heat is measured in joules based on the actual meter reading;

– Levima Advanced Materials: Reference is given to ISO 14064-1:2018 and the *General Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprises* (GB/T 32150-2015) to calculate indirect emissions caused by the purchased electricity; the type of gas included in the calculation is CO₂; the emission factor for purchased electricity is taken as the average emission factor of 0.8843 tCO₂/MWh for the North China regional power grid in 2012, as stated in the *Average Carbon Dioxide Emission Factor of Regional Power Grids in China in 2011 and 2012* (2014) issued by the National Development and Reform Commission;

– BIL: Due to 100% use of renewable electricity, greenhouse gas emissions from purchased electricity are calculated as 0. For scope 2 greenhouse gas emissions, a market-based accounting method is applied, calculating only the greenhouse gas emissions associated with purchased steam.

Water Resource Management

Indicators	Unit	2021	Legend Holdings 2022	2023	Raycom 2023	Levima Advanced Materials 2023	BIL 2023	Lenovo FY2022/23
Total water withdrawal ¹	m ³	12,188,297	15,322,900	14,918,168	252,458	14,641,790	23,920	1,499,000
Third-party water supply ²	m ³	/	322,270	640,258	252,458	363,880	23,920	/
Surface water	m ³	/	15,000,630	14,277,910	0	14,277,910	0	/
Total water consumption ³	m ³	/	/	/	/	8,639,385	/	18,000
Total drainage	m ³	/	/	/	/	6,002,405	/	1,481,000
Water intake density								
By revenue	m ³ /RMB10,000	9.47	11.19	10.93	3.40	21.60	0.04	0.03
By area	m ³ /m ²	/	/	/	1.04	/	0.58	/

1. In 2023, Levima Advanced Materials increased the proportion of water drawn from third-party sources and reduced the direct use of surface water. In addition, the surface water intake of Levima Advanced Materials has obtained water intake permits from the local government authorities, and the total amount of water intake is within the planning and control range.
2. During the Reporting Period, the third-party water used by each subsidiary was municipal water supply.
3. The indicator is estimated using the following formula: total water consumption = total water intake – total drainage. Legend Holdings will further improve the data statistics and traceability of water consumption of its subsidiaries to promote the attainment of water resource management goals.

QUANTITATIVE PERFORMANCE TABLE

Packaging Material Management¹

Indicators	Unit	2021	Legend Holdings 2022	2023	Raycom 2023	Levima Advanced Materials 2023	BIL 2023	Lenovo FY2022/23
Total amount of packaging materials used for finished products ²	ton	7,145	7,902	8,104	0	8,104	0	99,978
Density of finished packaging materials	ton/RMB million	0.56	0.58	0.59	0	1.20	0	0.23

1. Data coverage in 2023: Levima Advanced Materials data only covered Levima Advanced Materials, Levima Chemical does not involve the use of packaging materials; Raycom and BIL are non-production enterprises and do not provide physical products, so they do not involve the use of packaging materials; Lenovo's data coverage can be found in its ESG report for the 2022/23 fiscal year.
2. The packaging material consumption (if any) of each subsidiary is estimated based on the original statistical data (such as the number) and corresponding unit quality of each type of packaging material used. Adjustments have also been made using the same conversion method when consolidating Legend Holdings' historical data. Among them, Levima Advanced Materials involves the use of EVA photovoltaic film materials, PP high-end materials, EOD and other corresponding packaging materials; Lenovo's data includes the use of packaging materials for its laptops, desktops, servers, workstations, monitors, smartphones, tablets, and accessories. The main reason for the increase in the total consumption of packaging materials by Legend Holdings in 2023 was the increase in demand for product and material packaging due to the increased production of Levima Advanced Materials.

EMISSIONS AND WASTE MANAGEMENT

Total Emissions of Atmospheric Pollutants ¹

Indicators	Unit	Legend Holdings			Raycom 2023	Levima Advanced Materials 2023	BIL 2023
		2021	2022	2023			
NO _x	kg	177,264.94	172,445.97	136,470.20	395.58	136,074.60	0.018
SO ₂	kg	46,762.80	49,311.46	47,008.48	91.01	46,917.47	/
PM ²	kg	8,040.00	11,961.00	15,558.29	/	15,558.29	/
VOCs ³	ton	/	/	38.11	/	38.11	/

^{1.} Both Raycom and BIL have not generated emissions (PM) with significant environmental impacts, and their own vehicle operations have minimal emissions, resulting in limited accuracy in data quantification. Therefore, their emissions have not been quantified; Lenovo does not directly emit a large amount of exhaust gas, so there is no quantified data on air pollutant emissions. The quantification method, reference methodology, relevant parameters, and other information of air pollutant emissions data from Levima Advanced Materials: The quantification of NO_x, SO₂, and PM emissions is based on the actual monitoring values of equipment and facilities emissions within the factory boundary, and the data source is the annual report of the subsidiary's pollutant emission permit. Among them, PM emissions are calculated based on the monitoring method in the *Stationary Source Emission – Determination of Mass Concentration of Particulate Matter at Low Concentration – Manual Gravimetric Method* (HJ 836-2017) by measuring the online monitoring data of particulate matter concentration at the fixed discharge outlet of the boiler. The relative proportion of CO and PM emissions generated by mobile sources is minimal, so it has not been quantified.

^{2.} PM of Levima Advanced Materials refers to all solid and liquid particulate matter suspended in the emission gas generated during the combustion, synthesis, decomposition, and mechanical processing of fuels and other substances.

^{3.} Starting from 2023, Levima Advanced Materials newly discloses its Volatile Organic Compound (VOCs) emissions, which primarily originate from non-methane total hydrocarbons emitted during the production process, wastewater treatment, and waste disposal activities.

QUANTITATIVE PERFORMANCE TABLE

Total Discharge of Wastewater Pollutants ¹

Indicator	Unit	Levima Advanced Materials		
		2021	2022	2023
COD	ton	397.00	328.76	358.09
NH ₃ -N	ton	13.06	31.80	18.72

¹. Data coverage in 2023: Levima Advanced Materials' data covered Levima Advanced Materials and its subsidiary Levima Chemical; Raycom and BIL are non-production enterprises that do not involve significant emissions of total wastewater pollutants, and the emission concentration and total amount meet the corresponding standards of the local government departments where they operate, so they have not been quantified; Lenovo has entrusted third-party treatment institutions for compliant treatment of over 99% of its global wastewater. Based on its operational management practices, no data related to wastewater pollutants has been disclosed. The quantification of COD and NH₃-N emissions from Levima Advanced Materials is based on the actual monitoring values of the sewage discharge outlets within the factory boundary, and the data source is the annual report of the subsidiary's pollutant discharge permit.

Solid Waste Management ¹

Indicators	Unit	2021	Legend Holdings		Raycom 2023	Levima Advanced Materials 2022/23	BIL 2023	Lenovo FY2022/23
			2022	2023				
Total amount of hazardous waste ²	ton	2,254	1,959	2,196	0.32	2,193	2.29	679
Hazardous waste compliance disposal rate ³	%	100	100	100	100	100	100	100
Total amount of non-hazardous waste ⁴	ton	15,971	489,714	447,219	6,310	440,689	220	50,420
Hazardous waste density								
By revenue	ton/RMB million	0.175	0.143	0.161	4.27×10 ⁻⁴	0.324	3.74×10 ⁻⁴	0.002
By area	ton/10,000 m ²	/	/	/	0.01	/	0.55	/
Non-hazardous waste density								
By revenue	ton/RMB million	1.241	35.775	32.77	8.49	65.02	0.04	0.11
By area	ton/10,000 m ²	/	/	/	260.22	/	53.17	/

1. In response to the situation where the quality of hazardous/non-hazardous waste generation was not put into direct statistics, the Company estimated its quality based on the original statistical data of the corresponding hazardous/non-hazardous waste generation amount (such as the number) and the corresponding unit quality, and added them up.
2. In this case, "hazardous waste" refers to waste lamps, batteries, cleaning oil, toner cartridges, and other hazardous waste included in the *National Hazardous Waste List* and/or the *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*. The specific categories of hazardous waste involved in the quantification process of each subsidiary depend on their business characteristics based on the actual waste production during the production and operation process: Raycom's statistics cover the generation of mercury containing waste lamps and related products, waste batteries, cleaning waste oil, and ink cartridges (the collection of mercury containing waste lamps and related products was only included in 2022); Levima Advanced Materials' statistics cover the total amount of VA refining residues, waste lubricants, waste initiators, waste packaging materials, and other hazardous waste included in the *National Hazardous Waste List*; BIL's statistics cover the generation of waste light bulbs, waste tubes, and toner cartridges/ink cartridges; the data disclosed by Lenovo in this case includes hazardous waste such as waste oil, coolant, organic solvents, batteries, fluorescent bulbs, and ballasts from its manufacturing, processing, operation, research and development sites, and large offices, excluding data related to the last stage of product lifecycle management (PELM). Further details can be found in its ESG report for the fiscal year 2022/23.
3. "Compliant disposal" includes two types of operations: Compliant final disposal (incineration (including those with/without energy recovery), landfill, and other disposal methods), and transfer from disposal (preparation for reuse, recycling, and other recycling operations). During the Reporting Period, the waste disposed of by each subsidiary has been collected by the corresponding entity and handed over to a third party for off-site disposal. Among them, Raycom has signed a solid waste disposal contract with the third party to dispose of its mercury containing lamp tubes, toner cartridges/ink cartridges, and waste lead batteries in compliance with regulations; 100% of hazardous waste generated by BIL has been recycled, and all hazardous waste transferred by Lenovo from disposal has been recycled.
4. In this case, "non-hazardous waste" refers to non-hazardous household waste such as paper waste and kitchen waste, as well as general industrial solid waste such as wastewater and biochemical treatment sludge. The specific categories of hazardous waste involved in the quantification process of each subsidiary depend on their business characteristics and actual waste production during production and operation: Raycom's statistics cover the amount construction waste and domestic waste generated (among which, construction waste is estimated based on the annual generated volume and average density, while domestic waste is estimated based on the daily generated volume and average density after compression; domestic waste includes 150,000 pieces of paper generated per year); Levima Advanced Materials' statistics cover the total amount of wastewater treatment sludge, household waste, and other non-hazardous waste; BIL's statistics cover the generation of paper and cardboard boxes, glass, mixed packaging, other household waste, and kitchen waste; Lenovo's data disclosed cover its office and restaurant waste, as well as packaging and production waste generated by production factories, excluding data related to excluding data related to the last stage of product lifecycle management (PELM). Further details can be found in its ESG report for the fiscal year 2022/23. In addition, during the Reporting Period, 100% of non-hazardous waste generated by BIL has been recycled, and non-hazardous waste transferred by Lenovo from disposal includes conversion, resale/utilization, and recycling (organic waste composting).

KPIs IN ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF HKEX

Part B: Mandatory disclosure requirements	
Mandatory disclosure items	Chapters of the report
Governance structure	ESG Management System
Reporting principles	Reporting Principles Management of Material Issues
Reporting scope	Scope of the Report

Part C: "Comply or Explain" clause	
Level, general disclosure and KPIs	Chapters of the report
A. Environment	
A1. Emissions	Climate Change Actions and Energy Management; Emission and Waste Management
A1.1	Emission and Waste Management; Quantitative Performance Table
A1.2	Quantitative Performance Table
A1.3	Quantitative Performance Table
A1.4	Quantitative Performance Table
A1.5	ESG Management System; Emission and Waste Management
A1.6	ESG Management System; Emission and Waste Management
A2. Resource Utilization	Climate Change Actions and Energy Management; Resource Management
A2.1	Quantitative Performance Table
A2.2	Quantitative Performance Table
A2.3	ESG Management System; Climate Change Actions and Energy Management
A2.4	ESG Management System; Resource Management
A2.5	Quantitative Performance Table

KPIS IN ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF HKEX

Part C: "Comply or Explain" clause	
Level, general disclosure and KPIs	Chapters of the report
A3. Environment and Natural Resources	Environmental Management System; Resource Management; Biodiversity Stewardship
A3.1	Environmental Management System; Resource Management; Biodiversity Stewardship
A4. Climate Change	Climate Change Actions and Energy Management
A4.1	Climate Change Actions and Energy Management
B. Society	
Employment and Labor Practices	
B1. Employment	Employee Rights and Benefits
B1.1	Quantitative Performance Table
B1.2	Quantitative Performance Table
B2. Health and Safety	Occupational Health and Safety
B2.1	Quantitative Performance Table
B2.2	Quantitative Performance Table
B2.3	Occupational Health and Safety
B3. Development and training	Employee Training and Development
B3.1	Quantitative Performance Table
B3.2	Quantitative Performance Table
B4. Labor standards	Employee Rights and Benefits
B4.1	Employee Rights and Benefits
B4.2	Employee Rights and Benefits

KPIs IN ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF HKEX

Part C: "Comply or Explain" clause	
Level, general disclosure and KPIs	Chapters of the report
Operating practices	
B5. Supply Chain Management	Supply Chain Management; Sustainable Products
B5.1	Quantitative Performance Table
B5.2	Supply Chain Management
B5.3	Supply Chain Management
B5.4	Supply Chain Management; Sustainable Products
B6. Product Responsibilities	Products and Services Quality Management; R&D and Innovation
B6.1	Quantitative Performance Table
B6.2	Products and Services Quality Management; Quantitative Performance Table
B6.3	R&D and Innovation
B6.4	Products and Services Quality Management
B6.5	Information Security and Privacy Protection
B7. Anti-corruption	Business Ethics
B7.1	Quantitative Performance Table
B7.2	Business Ethics
B7.3	Business Ethics
Community	
B8. Community Investments	Empowering Rural Revitalization; Promoting Technological Innovation; Promoting Social Integrity; Enhancing Community Harmony; Fostering Volunteer Efforts
B8.1	Empowering Rural Revitalization; Promoting Technological Innovation; Promoting Social Integrity; Enhancing Community Harmony; Fostering Volunteer Efforts
B8.2	Empowering Rural Revitalization; Promoting Technological Innovation; Promoting Social Integrity; Enhancing Community Harmony; Fostering Volunteer Efforts; Quantitative Performance Table