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Taikoo Place, 979 King's Road
Quarry Bay,
Hong Kong

CC: Lenovo's Executive Team and Board of Directors

March 16, 2023

RE: Lenovo's business operations in Russia

Dear Mr Yang,

We write to you as [B4Ukraine](#), a coalition of Ukrainian and international civil society organisations working to curtail the financial resources enabling the Russian invasion of Ukraine. In the spirit of respect for the fundamental rights of all people, the rules-based international order, and a prosperous global economy, we expect companies to demonstrate public support for the people, democracy, and territorial integrity of Ukraine, opposition to Russia's war of aggression, and alignment with the UN Guiding Principles on Business and Human Rights (UNGPs).

We request an urgent dialogue regarding potential inconsistencies between Lenovo's stated policies on Russian aggression and human rights more broadly and the company's business operations and relationships in Russia that may contribute to, or be linked with, human rights harms.

We acknowledge Lenovo's stated commitment to human rights. According to Lenovo's website, you "support the United Nations Sustainable Development goals", including "peace" and "justice,"¹ and are "a signatory and active participant in the U.N. Global Compact" and, as such, "support and respect the protection of internationally proclaimed human rights in all that [you] do," including performing "due diligence across the value chain to identify risks and avoid complicity in human rights violations."² Moreover, you attest that Lenovo "[manages] all operations consistent with the spirit and intent of the U.N. Universal Declaration of Human Rights."³

It has been more than a year since Russia launched a full-scale invasion of Ukraine and the devastating impacts continue to shock the global conscience and shake the global economy. Russia is violating international humanitarian law (IHL), including committing war crimes and crimes against humanity, through attacks on civilians and civilian infrastructure (e.g., mass executions, sexual violence, torture, forcible transfer of civilians). More than 21,700 Ukrainians have been killed and injured and millions more have been forced to flee their homes, creating one of the largest humanitarian and refugee crises of modern times.

¹ Lenovo, "U.N. Sustainable Development Goals," <https://investor.lenovo.com/en/sustainability/goals.php> (accessed March 6, 2023).

² Lenovo, "Lenovo Sustainability - Workforce," <https://www.lenovo.com/nl/nl/sustainability-workforce> (accessed March 6, 2023).

³ Lenovo, "ESG Sustainability - Supply Chain," <https://www.lenovo.com/nl/nl/sustainability-supply-chain> (accessed March 6, 2023).

On September 21, President Vladimir Putin escalated the war by announcing a “partial mobilisation” of the Russian population. The accompanying legislation ([Article 9 of Federal Law No. 31-FZ](#)) mandates all organisations, including the more than 1,500 international companies that are currently operating on a full or limited scale in Russia, to conduct military registration of the staff if at least one of the employees is eligible for military service.⁴ They must also assist with delivering the military summons to their employees, ensure the delivery of equipment to assembly points or military units, and provide information, buildings, communications, land plots, transport, and other material means of support to the war effort.

A new decree issued by President Vladimir Putin on March 3, 2023, enables the Russian government to suspend shareholders' rights and implement external management in companies that don't fulfil state defence contracts under conditions of martial law. By specifying the process of appointing Russian government representatives to manage businesses that fail to meet state orders, the latest Decree effectively creates a scenario of "partial nationalization." “The growing set of risks associated with continuing operations in Russia are now foreseeable, predictable, and largely avoidable. Companies must act now or risk enabling Russian war crimes as well as the material interests of their shareholders.”⁵

This legislation entails new and significant legal risks for companies remaining in Russia, including potential civil and criminal liability under comprehensive sanctions regimes and recent international jurisprudence holding corporations and their officers responsible for human rights abuses abroad.⁶ Companies may be exposed to financially material risks through operational restrictions, such as limitations of future government contracts.⁷

⁴ Federal Law No. 31-FZ of February 26, 1997 "On mobilization training and mobilization in the Russian Federation" (as amended), <https://base.garant.ru/136945/> (accessed November 14, 2022).

⁵ B4Ukraine, “New Kremlin regulation raises risks for the 1600 international companies left in Russia,” March 7, 2023, <https://b4ukraine.org/whats-new/new-kremlin-regulations> (accessed March 13, 2023).

⁶ International companies remaining in Russia are now at a greater risk of violating sanctions regimes as implementation of the legislation will likely involve transacting with sanctioned individuals or entities. Furthermore, new domestic civil and criminal cases against companies involved in violations of international law demonstrate the risk of significant liability for facilitating state-sponsored human rights abuses abroad (e.g., Lafarge case, Lundin case, Castel Group indictment, Nevsun holding, and Dassault Aviation, Thales, and MBDA France criminal complaint.) Victoria Riello and Larissa Furtwengler, “Corporate Criminal Liability for International Crimes: France and Sweden Are Poised To Take Historic Steps Forward,” *Just Security*, September 6, 2021, <https://www.justsecurity.org/78097/corporate-criminal-liability-for-human-rights-violations-france-and-sweden-are-poised-to-take-historic-steps-forward/> (accessed November 14, 2022); The Sentry, “Breaking: France Opens War Crimes Inquiry Focused on Iconic Food and Beverage Conglomerate,” July 1, 2022, <https://thesentry.org/2022/07/01/7216/breaking-france-opens-war-crimes-inquiry-focused-iconic-food-beverage-conglomerate/> (accessed November 14, 2022); *Rfi*, “French technology firm charged over Libya cyber-spying,” July 2, 2022, <https://www.rfi.fr/en/business-and-tech/20210701-french-tech-firm-charged-over-libya-cyber-spying> (accessed November 14, 2022); Preston Lim, “Canadian Supreme Court Allows Corporate Liability for International Law Violations,” *Lawfare*, March 12, 2022, <https://www.lawfareblog.com/canadian-supreme-court-allows-corporate-liability-international-law-violations> (accessed November 14, 2022); Sherpa, “Aiding and abetting war crimes in Yemen: Criminal complaint submitted against French arms companies,” June 2, 2022, <https://www.asso-sherpa.org/aiding-and-abetting-war-crimes-in-yemen-criminal-complaint-submitted-against-french-arms-companies> (accessed November 14, 2022).

⁷ Venable LLP, “Do You Contract with State Governments? If So, Beware of Emerging State Sanctions' Obligations Related to Russia and Belarus,” *JD Supra*, June 3, 2022,

In response to this unprovoked and unjustified war,⁸ many companies have left Russia. According to the Kyiv School of Economics Institute's #LeaveRussia [company tracker](#), Lenovo has taken steps to withdraw from the Russian market. In May, it was reported that Lenovo had left the Russian market.⁹ However, it was reported on December 23 that Lenovo's online store in Russia had resumed sales.¹⁰ To date, Lenovo has yet to make any public announcement regarding either its reported withdrawal or its apparent reentry.

Figures for the first half of 2022 indicate that Lenovo was the most prolific supplier of personal computers in Russia, with some 95,000 sales during the six-month period.¹¹ It has been reported that, by 2019, Lenovo Russia's revenues had reached 1.618 billion RUB (roughly equivalent to 26 million USD at the time).¹² These sales are likely incurring significant corporate, production, employment, and property taxes.

These activities in Russia risk enabling and financing Russia's violations of IHL and human rights law during the ongoing invasion and occupation of Ukraine and violating Lenovo's human rights commitments. It remains to be seen how directly Lenovo will be impacted by the partial mobilisation, nationalisation, and the heightened legal, regulatory, operational, and financial risks associated with companies being required to provide direct support to the internationally sanctioned Russian military.

Lenovo itself recognises that with "operations and supply chains that extend around the world, the company is uniquely positioned to support the global collective impact of business."¹³ Especially given Lenovo's silence over its earlier reported withdrawal and later reentry, we seek to understand the status of Lenovo's exposure to Russia and how Lenovo has conducted and continues to conduct heightened human rights due diligence, per its stated policy and the UNGPs concerning due diligence in conflict-affected areas, and how the findings of such a process has resulted in the resumption of business activities and relationships. As noted by the UNGPs:

...the more severe the abuse, the more quickly the enterprise will need to see change before it takes a decision on whether it should end the relationship. In any case, for as long as the abuse continues and the enterprise remains in the relationship, it should be able to

<https://www.jdsupra.com/legalnews/do-you-contract-with-state-governments-6537229/> (accessed November 14, 2022).

⁸ The UN General Assembly condemned Russia's "aggression against Ukraine" and demanded that Moscow "unconditionally withdraw all of its military forces from the territory of Ukraine within its internationally recognized borders."

⁹ See, for instance: Dan Strumpf, "Chinese Tech Giants Quietly Retreat From Doing Business With Russia," *The Wall Street Journal*, May 6, 2022, <https://www.wsj.com/articles/chinese-tech-giants-quietly-stop-doing-business-with-russia-11651845795> (accessed 6 March, 2023); Taras Mishchenko, "Lenovo and Xiaomi quietly leave the Russian market," *Mezha*, May 7, 2022, <https://mezha.media/en/2022/05/07/lenovo-and-xiaomi-quietly-leave-the-russian-market/> (accessed March 6, 2023).

¹⁰ TAdviser, "Lenovo, History, 2022: Resumption of laptop sales in the official Lenovo online store in Russia", https://tadviser.com/index.php/Company:Lenovo_Russia (accessed March 8, 2023).

¹¹ Anton Shilov, "China-Based Lenovo Tops Russia's PC Market," *Tom's Hardware*, October 22, 2022, <https://www.tomshardware.com/news/lenovo-tops-russia-pc-sales-in-1h-2022> (accessed March 8, 2023).

¹² TAdviser, "Lenovo, Performance indicators, 2019: Revenue growth by 5% to RUB 1.6 billion," https://tadviser.com/index.php/Company:Lenovo_Russia (accessed March 8, 2023).

¹³ Lenovo Group Limited, "2021/22 Environmental, Social and Governance Report - Smarter Technology for All," <https://investor.lenovo.com/en/sustainability/reports/FY2022-lenovo-sustainability-report.pdf> (accessed 6 March 2023).

demonstrate its own ongoing efforts to mitigate the impact and be prepared to accept any consequences – reputational, financial or legal – of the continuing connection.

In consideration of the above points and B4Ukraine's [Declaration](#), we request an urgent dialogue with Lenovo's relevant senior management and staff to discuss the company's ongoing activities and relationships in Russia, associated risks to the people of Ukraine and the company, and potential steps to prevent/mitigate these risks. Please contact B4Ukraine at contact@b4ukraine.org to schedule a call. We kindly ask for your response by 5:00pm CET, March 30, 2023.

Sincerely,

The B4Ukraine Coalition