

GENDER PAY GAP

REPORT 2018

Lenovo™



Introduction from Preben Fjeld

At Lenovo we have seen a real shift in the importance of diversity and inclusion within our organisation, both locally and around the globe.

Lenovo was built on the core principle of diversity because we combined the business cultures of the East and West to become the global company we are today. Last year saw the formation of Lenovo's dedicated Diversity and Inclusion Board tasked at driving parity at all levels across the entire organisation. This commitment from our Chairman and CEO, Yuanqing Yang, alongside all our other senior leaders will help to fuel further transformation within Lenovo.

However, making a meaningful change does take time, and for the last 12-months, I have focused on structurally evolving our business and look forward to implementing change through dedicated programmes and initiatives.



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PREBEN FJELD
General Manager, Lenovo UK & Ireland

About Lenovo

Lenovo is a US\$45 billion Fortune Global 500 company and a global technology leader in driving Intelligent Transformation through smart devices and infrastructure that creates the best user experience. Lenovo manufactures one of the world's widest portfolios of connected products, including smartphones, tablets, PCs and workstations as well as AR/VR devices and smart home/office solutions. Lenovo's data centre solutions are creating the capacity and computing power for the connections that are changing business and society. Lenovo works to inspire the difference in everyone and build a smarter future where everyone thrives.

I confirm that the data and information presented in this report is accurate and meets the requirements of the UK Equality Act (Gender Pay Gap Information) Regulations 2017.

A handwritten signature in blue ink.

GARETH HOLTON
Chief Financial Officer, Lenovo UK & Ireland

The scope of this report

At the time of publishing this report, Lenovo Technology (UK) Ltd employed 280 employees across its Basingstoke and Glasgow sites. This data covers employees in the Intelligent Devices Group - those working for the company's PC and Smart Devices and smartphone businesses.

The focus of this report is to share insight into the pay gap that exists between male and female employees.

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Being a global company, throughout the day we constantly work with people from all across the world, regardless of their role or function. As such, the organisation fosters an environment where all employees can flourish. Embracing diversity and inclusion has a positive impact on the company, tech industry and society as a whole.

For me, I see and benefit from a number of workplace initiatives that make Lenovo an attractive place for women to work. One of the main ones being the ability to work flexibly and remotely to enable progression into roles that may not be feasible otherwise.



ALISON CUTHILL
SENIOR FINANCIAL ANALYST

What we found

Closing the gender pay gap requires a long-term sustained programme, and although Lenovo has made progress to ensure that there are plans in place to bring more women into the workforce and then support their development and career paths, there remains a gap that we are committed to closing.

The gender pay gap is defined as the difference between the pay of all male and female employees across the organisation. The pay gap is typically driven by the difference in job roles and the levels of seniority of men and women within the business. This is very different from equal pay, which is enshrined in law, and

requires that men and women be paid the same when performing the same or similar work.

Looking at all our employees in the UK across all roles and business units, the mean pay gap (the difference between the average pay levels) is 24.93%, an increase on our 2017 figure. This is due to the higher proportion of men employed in senior roles at Lenovo, particularly within the sales sector of our organisation. To provide a fuller picture, we have also looked at the median pay gap, which has been brought down to 28.05% when compared to the 2017 data.

Interpreting the numbers

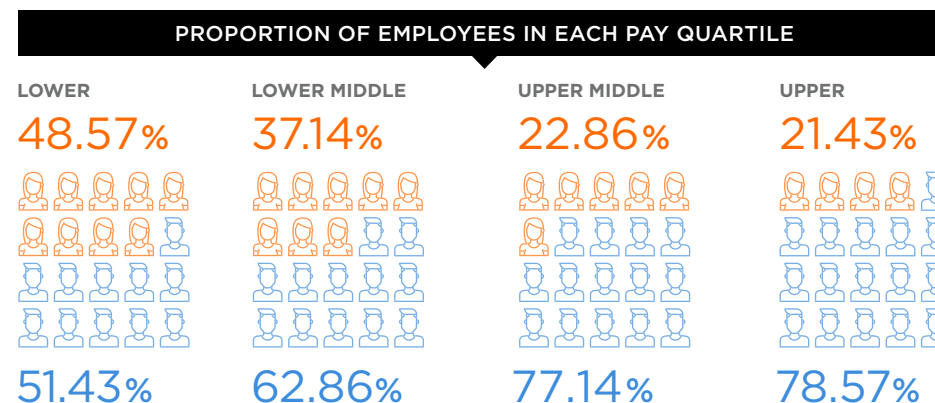
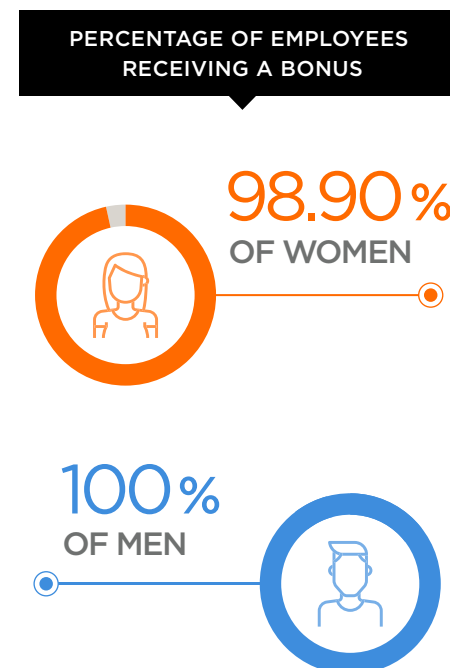
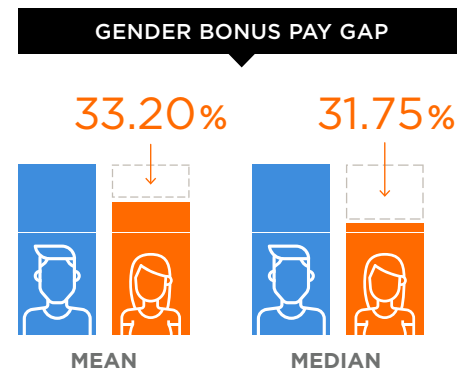
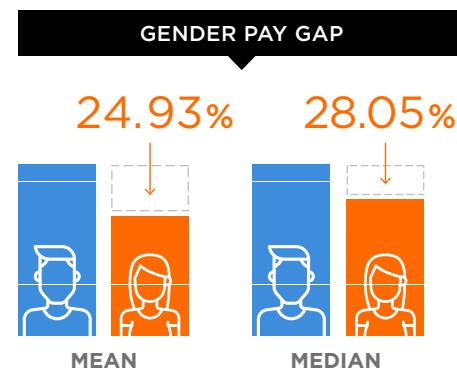
A gender pay gap is the difference in pay between men and women. Typically, it is influenced by a number of factors, but mainly the lack of women in senior positions.

The Government Equalities Office has outlined a calculation methodology to ensure parity across all countries reporting their data.

Mean: The mean is calculated by adding all the wages of all relevant employees and dividing the figure by the total number of employees; this gives us the average pay gap.

Median: The median is the figure that falls in the middle of the full range of employees when pay levels are lined up from the smallest to largest. This gives us the difference between the middle employee in the range of both males and females.

It is important to note that we are not measuring equal pay. The Equality Act ensures that men and women get equal pay for equal work; the focus of this report is measuring the differences in pay within the entire organisation, not the differences between jobs or pay differences within job bands.



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The Lenovo culture is attractive for women who want to excel in their career because the DNA of the company is entrepreneurial. I feel women are more likely to succeed within environments where they have ownership and can develop creative solutions to solve problems.

By instilling a “company of owners” ethos into employees, I feel fully supported and empowered to challenge the norm; developing campaigns and programmes to drive business success.



MONIQUE DE KLERK

CONSUMER AND BRAND MARKETING MANAGER

Understanding the gap

In the UK, Lenovo is predominately a sales organisation. At more senior levels, the availability of experienced candidates in technology is disproportionately men, and our organisation reflects this trend, which adversely influences our overall numbers.

As of 5th April 2018, Lenovo Technology (UK) had 280 employees, with the workforce being split 67% male and 33% female. Within mid to senior roles in both sales and non-sales functions, there is a lower representation of female employees than the overall workforce average.

Within mid to senior sales roles, 22% of the employees in this group were female, and within mid to senior non-sales roles, 31% of employees were female.

Overall, the outcome is a greater proportion of men in the higher paying roles (78.57%) which results in the gender pay gap.

With 53% of the Lenovo UK workforce in a sales function and men representing 71% of these roles, this is a significant factor contributing to the bonus pay gap.

This is because sales roles on average have a higher proportion of compensation as commission, compared to non-sales roles that pay a smaller proportion of pay as a bonus.



Tackling the lack of female representation in leadership roles, especially within sales, is a key focus area for me within my role. Identifying high potential talent and nurturing the next generation of leaders is the first step to addressing this challenge. As leaders, we all have the responsibility to push the technology industry forward to create an environment where everyone can thrive and succeed within their chosen career.

Jane Ashworth, Director of Channel and SMB



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Engineering is still seen a predominately male career, but here at Lenovo, the organisation has built a culture which is non-gender specific. I've always felt encouraged and supported as I've moved up the technical ladder, been mentored to help my growth as an individual, and offered training to keep my skills and knowledge up to date.

For me the thing that makes Lenovo special is that everyone has a voice within the organisation, and I've always felt that my manager and peers listen and value my opinions, concerns and contributions.



NEDHAL ALKHATIB

PROGRAMME MANAGER, MOTOROLA MOBILITY

Closing This Gap

Lenovo is focusing on a number of key strands of activity to close the gender pay gap. We need to bring more females into the workforce, provide growth opportunities and support major life changes. Additionally, we need to increase the number of women in leadership roles.

Commitment from our leadership

In 2018, Lenovo launched its first Diversity and Inclusion report. The goal of the report was to demonstrate the organisation's commitment to diversity and inclusion within the company, the industry, and society as a whole.

We are doing this by:

1. Building inclusive leadership behaviours through management training and investing in tools for global awareness
2. Fostering diverse and inclusive systems with the formation of a newly created Diversity and Inclusion Board, which acts to plan and execute our Diversity and Inclusion strategy and create better accountability
3. Setting goals to improve gender inclusion. By 2020, Lenovo's CEO has pledged that 20% of our executive team will be women
4. Within EMEA, Lenovo's Human Resources team continually measure the gender gap to identify and evaluate the progress being made

Talent Acquisition

Across all positions from graduate recruitment to senior level appointments, we aim for greater gender balance in our candidates. In mid to senior recruitment we strive for at least one female candidate on final shortlists, but our aim is to keep making improvements towards 50/50 balanced shortlist of potential candidates.

Lenovo is a member of the Tech Talent Charter, which is supported by the Department for Digital, Culture, Media and Sport. Our membership to the Charter proves our commitment to drive diversity and address gender imbalance in technology roles.



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For the last 12 months, we have been focused on building the infrastructure that will support parity of pay between the genders. By focusing on talent acquisition, developing our staff and our working practices we are building a company where women want to work.

Karl Gheewalla, HR Director

Development

We offer mentoring opportunities for all employees. Mentoring is a vital element of learning and development and we encourage all employees to seek out mentoring opportunities regardless of career stage. Many of our senior leaders are mentors, and these relationships are key to nurturing and coaching talent.

Flexible Working

Lenovo collaborated with the Centre for Economic Business Research on flexible working. The findings showed that flexible working has a direct impact on job satisfaction.

At Lenovo, we understand that our employees have a range of commitments outside their working life. For many roles we support flexible working to help our employees balance their career with other obligations.

Women in Lenovo Leadership (WILL)

Employee resource groups play an instrumental role in advancing the employee experience.

More than a decade ago, Lenovo recognised the need to support women in the workplace and formed the Women in Lenovo Leadership programme representing women of all levels.

Our active WILL group in the UK is focused on supporting networking, learning and developmental opportunities. In 2018, the group ran its first forum that was attended by all the UK leaders to discuss the

challenges they face and then collaborate to create workable solutions.

Collaborating with external partners

Collaborating with the Women's Forum and The European Network for Women in Leadership (WIL) provides a strong opportunity for Lenovo to share the diversity and inclusion story. Through the partnership, Lenovo demonstrates its commitment to working with businesses and governments and creates opportunities to highlight the positive impact on employees, communities and society.

A number of Lenovo's high potential employees are part of the WIL Women Talent Pool programme, a leadership programme that aims to train and promote a new generation of women leaders in Europe.

Lenovo has also collaborated with the publication CRN, as part of its Women in the Channel initiative. Running various roundtables, Lenovo brought together executives from around the channel to discuss and debate how to make the IT industry, particularly sales careers, more attractive to women and how to grow more women into leadership positions.

In 2019, Bloomberg also recognised Lenovo as one of 230 companies across 36 countries and regions in its 2019 Bloomberg Gender Equality Index. This was as a result of the best-in-class policies Lenovo has implemented to support gender equality within the workplace.



Lenovo is an organisation where hard work and ambition is rewarded. At all stages of my career, my line manager and other leaders have supported me in the UK business, and this has provided me with new experiences and challenges in order to learn and grow. Through this nurturing and coaching, I now run a team managing many of Lenovo's key partners in the UK.

Jo Baggerman
Platinum Partner Internal Sales Manager



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