

Executive Summary

Our gender pay gap report is issued in response to the UK's statutory requirement for any employer with 250 or more employees to report their gender pay gap data. This report describes our gender pay gap as of 05 April 2024, the progress made in closing this gap, and the continued actions we are taking.

Our gender pay gap report for 2024 shows continued year on year improvement in both the mean and median hourly pay gaps, with the median gap being below the UK national median. These changes are driven by more females being in senior positions and higher-paid roles.

We remain committed to diversity, equity, and inclusion (DEI) through strategic initiatives, inclusive policies, and targeted talent development, aiming to create gender balance in all senior management roles.

Gender Pay Gap

The table below shows our mean and median gender pay gaps for our UK-based employees in Imperial Tobacco Ltd, as at the 05 April 2022, 05 April 2023, and 05 April 2024 snapshot dates.

	2022		2023		2024	
	Mean	Median	Mean	Median	Mean	Median
Hourly Pay	21.2%	10.7%	18.7%	11.8%	13.7%	9.2%
Bonus Pay	46.8%	23.3%	41.4%	22.2%	37.6%	27.5%

Fig.1 Comparison of Imperial Tobacco Ltd hourly and bonus pay gaps between 2022, 2023 and 2024.

Both our mean and median hourly pay gaps have improved between 2023 and 2024, decreasing from **18.7% to 13.7% and 11.8% to 9.2% respectively**. **Our median pay gap is now significantly below the UK national median pay gap of 13.1%** This positive shift is primarily attributed to changes in the distribution of males and females in our organisation, which has resulted in the female mean and median hourly pay increasing by a greater amount compared to males.

The mean bonus pay gap has decreased from **41.4%** to **37.6%** owing to an increase in the number of females in senior roles earning a bonus.

However, the median bonus pay gap has increased from **22.2%** to **27.5%**. This is due to a change in the distribution of males and females occupying the lower paid roles in the organisation.

Bonus Eligibility

The difference in the proportion of males and females earning a bonus (91.0% and 89.2% respectively) arises from a greater proportion of female new hires (compared to males) commencing employment after the FY23 bonus eligibility period.



Fig.2 The proportions of males and females earning a bonus.

Distribution of Genders Across Pay Quartiles

Analysis of our gender distribution across pay quartiles shows that the upper pay quartile, consisting of our most senior roles, displays female representation at 37% (increased from 28% in 2020). In contrast, the lower pay quartile comprises female representation at 48%. These imbalances significantly contribute to our gender pay gap.

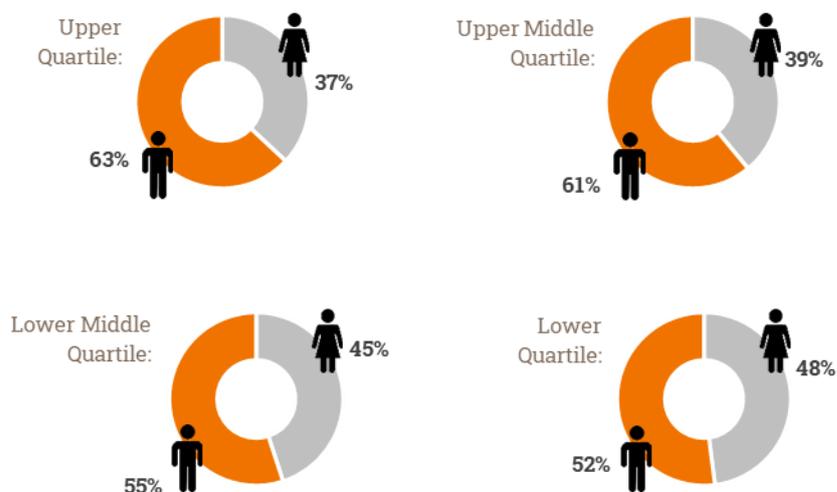


Fig.3 The proportions of males and females in the pay quartiles

Diversity, Equity & Inclusion Strategy

We are halfway through our Board approved five-year DEI Ambition and Strategy. Our ambition is to create a truly diverse and inclusive organisation renowned for celebrating difference, enabling our people to feel that they belong and can be their authentic selves. To respect, recognise and value the diversity of our consumers and reflect the communities in which we operate.

Within our strategy we have strategic pillars, each with clear KPIs, which have continued to drive our culture.

- Our Workplace focuses on our environment, policies, practices, and behaviours.
- Our Workforce focuses on representation – the makeup of our people.

Our approach has been to ensure progress against both global and local goals, mindful of local legislation and culture. While the full achievement of our DEI Ambition will take time, we are on track against our KPIs.

Plans to address our Gender Pay Gap

Global & Local Targets

Our goal is to continue to increase gender representation and achieve gender balance in senior management roles, through targeted talent attraction and development plans.

We are achieving our goals by implementing inclusive policies, processes and practices, including ensuring our talent acquisition and talent development practices extend to the most diverse talent pools and remove hidden barriers for equitable decisions based on merit.

UK Family Friendly Policies

A review of UK Family Friendly Policies, including Maternity/Paternity/Shared Parental Leave/Adoption & Surrogacy, Parental Bereavement & associated policies such as Dependant Care Leave, Compassionate Leave & Flexible Working resulted in improvements with effect from 6th April 2024.

These changes were informed by external best practice to further develop our policy offering to all employees in the UK.

The aims of further developing the UK Parental Leave policies, are:

- To create a more flexible, inclusive and diverse workplace aligned to our strategic DEI strategy goals – most notably for female employees (often the primary care giver).
- To maximise talent attraction opportunities by differentiating ourselves amongst our competitors.
- To engage and retain internal talent across key demographic groups with care-giving responsibilities.

Moments That Matter

Following a successful pilot, the “Moments That Matter” programme is now a permanent offering to all UK & Ireland cluster employees, with over a third having already engaged with the content available on the platform. This programme offers additional support at key life stages including pregnancy, childbirth, parenting and returning to work, as well as to those with childcare or eldercare responsibilities, in collaboration with our external partner Bright Horizons.

Business Employee Resource Groups

At the centre of our efforts are our Business Employee Resource Groups (BERGs), with our Global Gender BERG having more than 150 UK-based members. BERGs are integral to our business, helping us embed DEI in what we do, and how we operate, every day.

During 2024 we formed a new DEI Steering Group, chaired by our Chief People and Culture Officer. The Steering Group brings together representatives from all our Global BERGs to discuss priorities and delivery plans in line with our Global DEI ambition. This group provides an opportunity for all BERGs to share their plans, have senior leadership input, and drive inclusion with an intersectionality lens across all diversity strands.

DEI upskilling

To further develop an inclusive, performance-based culture, we continue to offer interactive training programmes for all employees to raise awareness and understanding of DEI and build strong allyship behaviours.

In 2024, 86% of our online workforce completed an introductory module on Diversity, Equity and Inclusion. The module focuses on the role each employee has in creating an inclusive culture at Imperial Brands. This same content is now being made available to all offline employees.

An allyship programme has been developed to create an effective community of allies to build a truly diverse and inclusive organisation where everyone can feel that they belong. The programme develops understanding and capability in recognising inclusive and exclusive behaviours, the role of an ally, and taking action to create inclusion.

200 colleagues completed the programme in FY24, with further programmes scheduled throughout FY25.

Talent Attraction and Development

We continue to implement targeted candidate attraction campaigns to ensure we have a diverse workforce within our organisation. For our UK cluster employees, we have now embedded guidelines for mixed-gender interview panels and mixed-gender candidate shortlists. This has been supported by the opportunity for those recruiting to take part in inclusive interviewing training.

Our work in talent development includes the successful introduction of an Accelerating Women into Leadership Programme to further support the progression of middle management women into senior roles. Further programmes are scheduled through FY24 and into FY25.

We will continue to focus on targeted activity in inclusive talent acquisition, diverse talent management and retention to address global gender balance goals and therefore UK pay gap challenges.

Declaration

I confirm that the Imperial Tobacco Ltd Group Gender Pay Gap calculations featured in the above report are accurate.



ALISON CLARKE

Chief People and Culture Officer