

UK GENDER PAY GAP REPORT 2019

June 2020



The publication of our 2019 report has been delayed by the impact of the coronavirus. Although companies are not now legally required to disclose details of their gender pay gap report this year, we are transparent about our efforts to close the gap and have therefore decided to publish this report.

We are committed to harnessing the diversity of our teams and to leverage the benefits this brings to our business. We recognise that our gender pay gap (GPG) in our UK business is attributable to low representation of women in senior leadership roles within the business.

We are taking steps to build an inclusive working environment where every employee can thrive, feel valued and fulfil their potential and we have a number of Diversity, Inclusion & Belonging initiatives in place to help us achieve this. These initiatives are steered collectively by our Executive Committee.

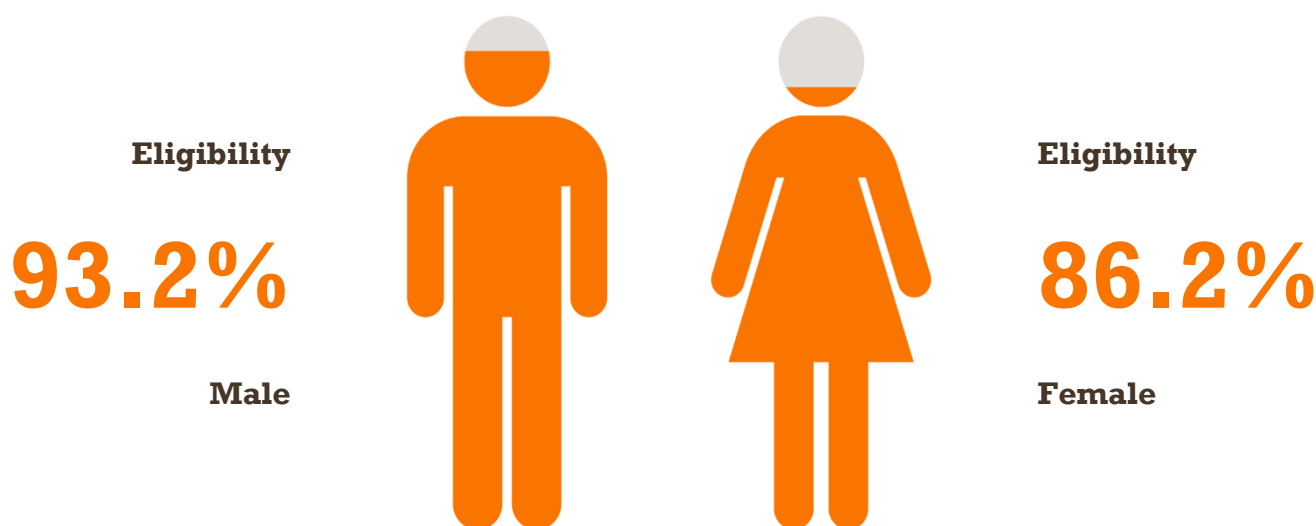
Pay and Bonus Gap

The table below shows our mean and median gender pay gap and difference in bonus for employees of our UK business, Imperial Tobacco Limited (Imperial Tobacco) as of the snapshot dates: 05 April 2018 and 05 April 2019. Our 2019 median pay gap of 13.2% is also below the national median pay gap of 17%.

	2018		2019	
	Mean	Median	Mean	Median
Hourly Pay	26.3%	13.9%	30.9%	13.2%
Bonus Pay	52.4%	40.0%	55.1%	24.4%

For the purposes of this report the snapshot date **05 April 2019** is based on a population of **858** employees - **525** Male / **333** Female.

Bonus Eligibility



At the time, our Executive Board Directors (Chief Executive, Chief Financial Officer and Chief Development Officer) were employed by parent company Imperial Brands PLC, rather than by Imperial Tobacco and are therefore not included in this analysis. If included, the 2019 mean hourly pay would reduce from 30.9% to 28.9%, and the 2019 mean bonus pay would reduce from 55.1% to 46.0%.

Over the reporting year we saw the percentage of women in our UK business grow from 36% to 38%, however this was primarily in our more junior roles.

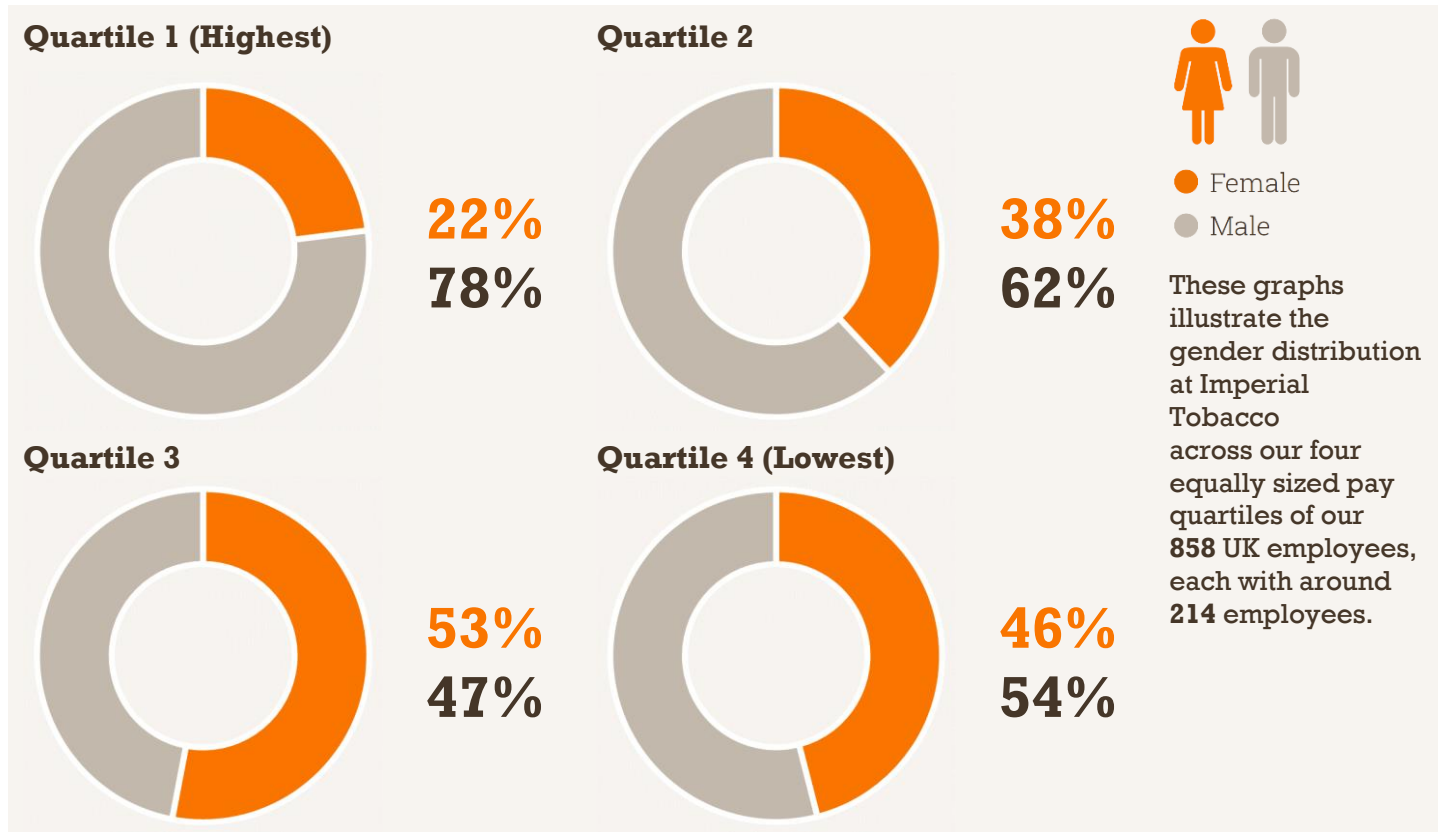
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The difference in bonus eligibility in 2019 is mainly attributable to hiring periods. There is a qualifying period for all new recruits during which they are not eligible for a bonus, and in the 2019 reporting cycle, there were more females than men recruited during this non-qualifying period.

Gender Split by Hourly Pay Quartile



Taking Action to Address our Gender Pay Gap

Our core issue remains low female representation at the senior level. We are committed to creating more opportunities for women in senior roles and building a truly diverse and inclusive culture in our workplace. Last year we ran Diversity & Inclusion workshops for 70 of our most senior leaders, and based on our findings, we are looking to further reinforce our commitment in the coming year through the following initiatives:

Inclusive Leadership Programme – We are designing a global Inclusive Leadership Programme to address behaviours at all leadership levels. This programme will be cascaded to all layers of management and embedded throughout the business with the objective of driving more inclusive behaviours in the workplace.

Flexible Working – We have accelerated our focus on flexible working in light of COVID-19. Our aim is to provide employees with opportunities to enhance their work/life balance, while improving business agility.

Unconscious Bias Training – New e-learning modules have been created to address unconscious bias across our business.

We reiterate our commitment to the Hampton Alexander Review target of increasing the representation of women in our senior management roles to 33%, by 2023. Our focus remains to continue a steady drumbeat of activities with clearly defined key performance indicators in place to achieve this outcome.