

UK GENDER PAY GAP REPORT 2020

April 2021



This report sets out our performance in addressing the gender pay gap that exists in our UK business. We remain committed to building an inclusive working environment that provides equal opportunities for all and where every employee can thrive, feel valued and fulfil their potential.

The new Executive leadership team is working with the business to create a performance culture focused on teamwork, collaboration and accountability. The culture we are developing will focus on developing a more diverse and inclusive environment where employees will be empowered to do their best work. We are driving progress through a structured programme of initiatives which we believe will have a positive impact on our gender pay gap over time.

Pay and Bonus Gap

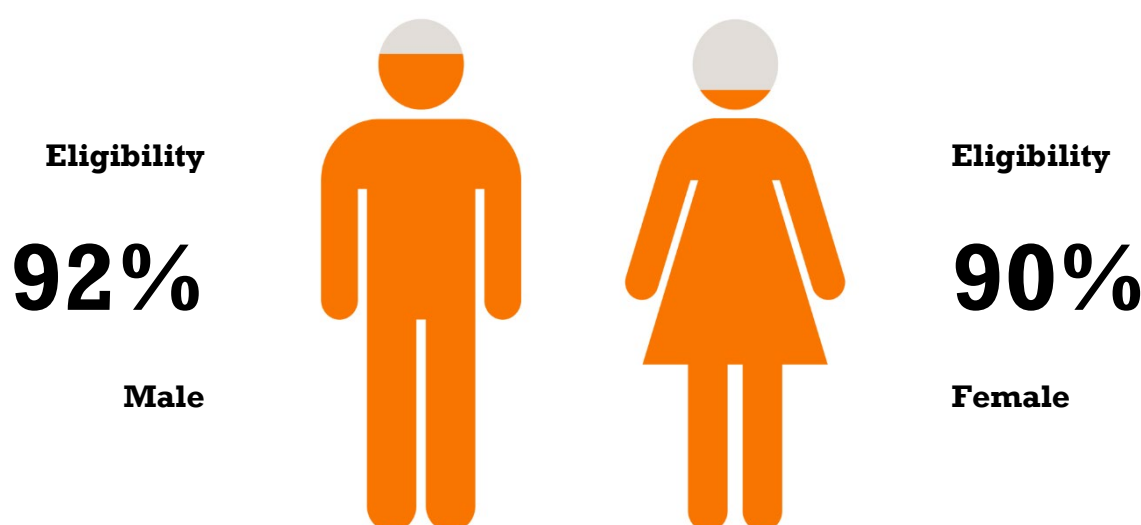
The table below shows our mean and median gender pay and bonus gap for employees of our UK business, Imperial Tobacco Limited (Imperial Tobacco) as of the snapshot dates: 05 April 2019 and 05 April 2020.

	2019		2020	
	Mean	Median	Mean	Median
Hourly Pay	30.9%	13.2%	23.5%	13.2%
Bonus Pay	55.1%	24.4%	50.7%	33.9%

For the purposes of this report the snapshot date **05 April 2020** is based on a population of **906** UK employees.

- Our median pay gap has remained static at 13.2% over 2019 and 2020 and remains lower than the national median pay gap of 16%.
- Our mean pay and bonus gap figures represent the average pay and bonus across our UK workforce. Our mean pay gap has reduced from 30.9% in 2019 to 23.5% in 2020 and our mean bonus gap has reduced from 55.1% to 50.7% respectively. These 'mean' figures are particularly impacted by the highest earners which are generally senior management roles, more of which are held by men. Our figures have reduced as a result of changes in our senior management roles.

Bonus Eligibility

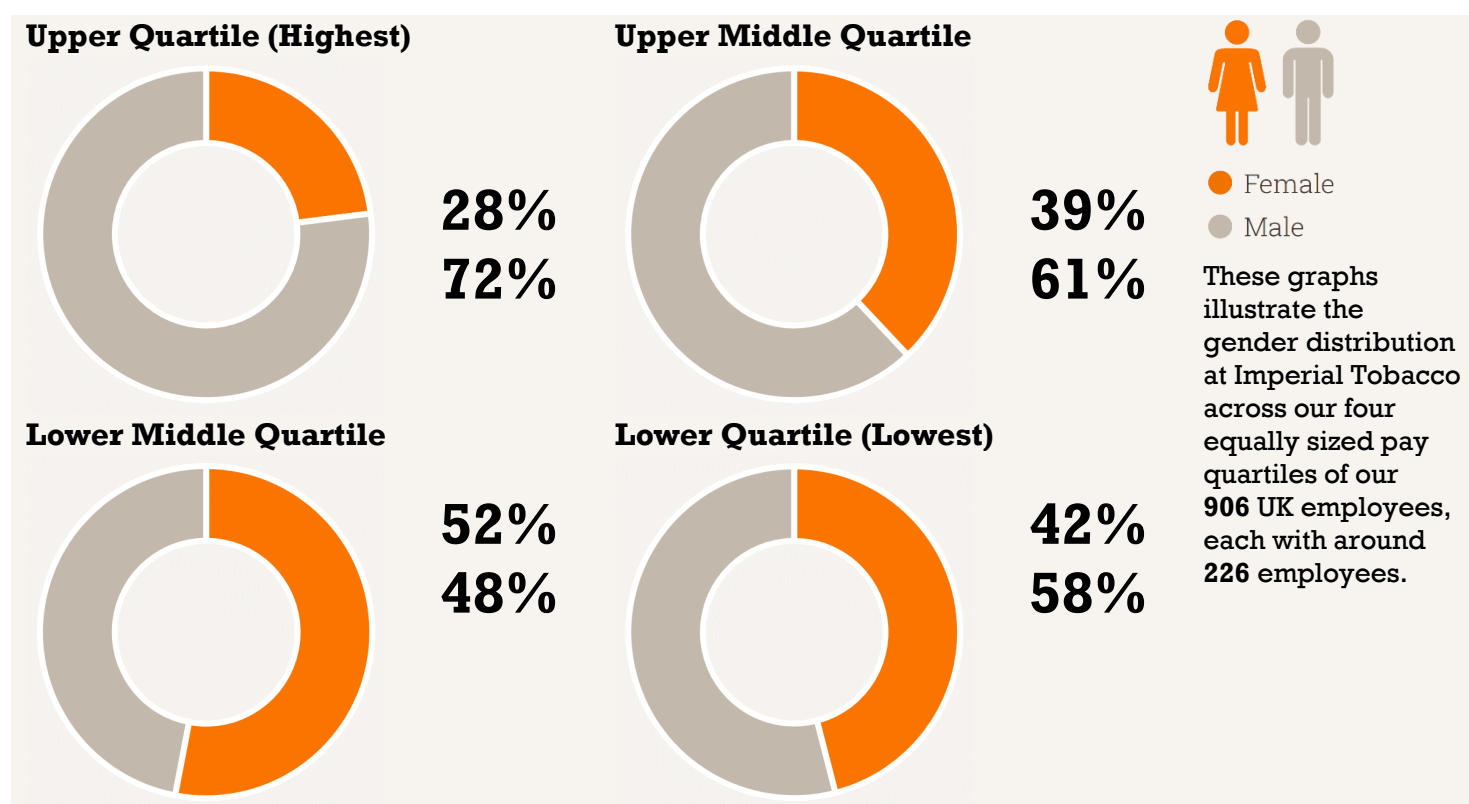


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Gender Split by Hourly Pay Quartile



Plans to Address our Gender Pay Gap

Our key challenge remains the low representation of females in our upper and senior leadership levels.

As part of our commitment to create a more inclusive culture we recently completed a global Inclusion Diagnostic and are in the process of taking actions based on employee feedback, including establishing Global Employee Resource Groups to co-create the lasting solutions required for creating a truly inclusive business.

In addition, we have completed phase one of our new **Flexible Working** programme (WORKFLEX) for our UK business to encourage more flexibility in our current ways of working while improving business agility.

Varied and targeted **learning programmes** are being embedded at all levels to help create a culture that improves equality and Inclusion in our processes and empowers all employees.

Global Employee Engagement surveys have been reintroduced and are actively championed by our Workforce Engagement Director and the wider Imperial Board. The feedback received plays an integral part in creating inclusive employee programmes.

We are also reviewing our **approach to recruitment**, with a view to implementing change in our interview practices and processes, enhancing our talent pool, and better understanding reasons for attrition. Our focus remains on continuing a steady drumbeat of activities with clearly defined key performance indicators in place that support our drive to recruit and retain talented employees.

We would also like to reinforce our commitment to increasing the representation of women in our senior management roles to 30% by 2023.