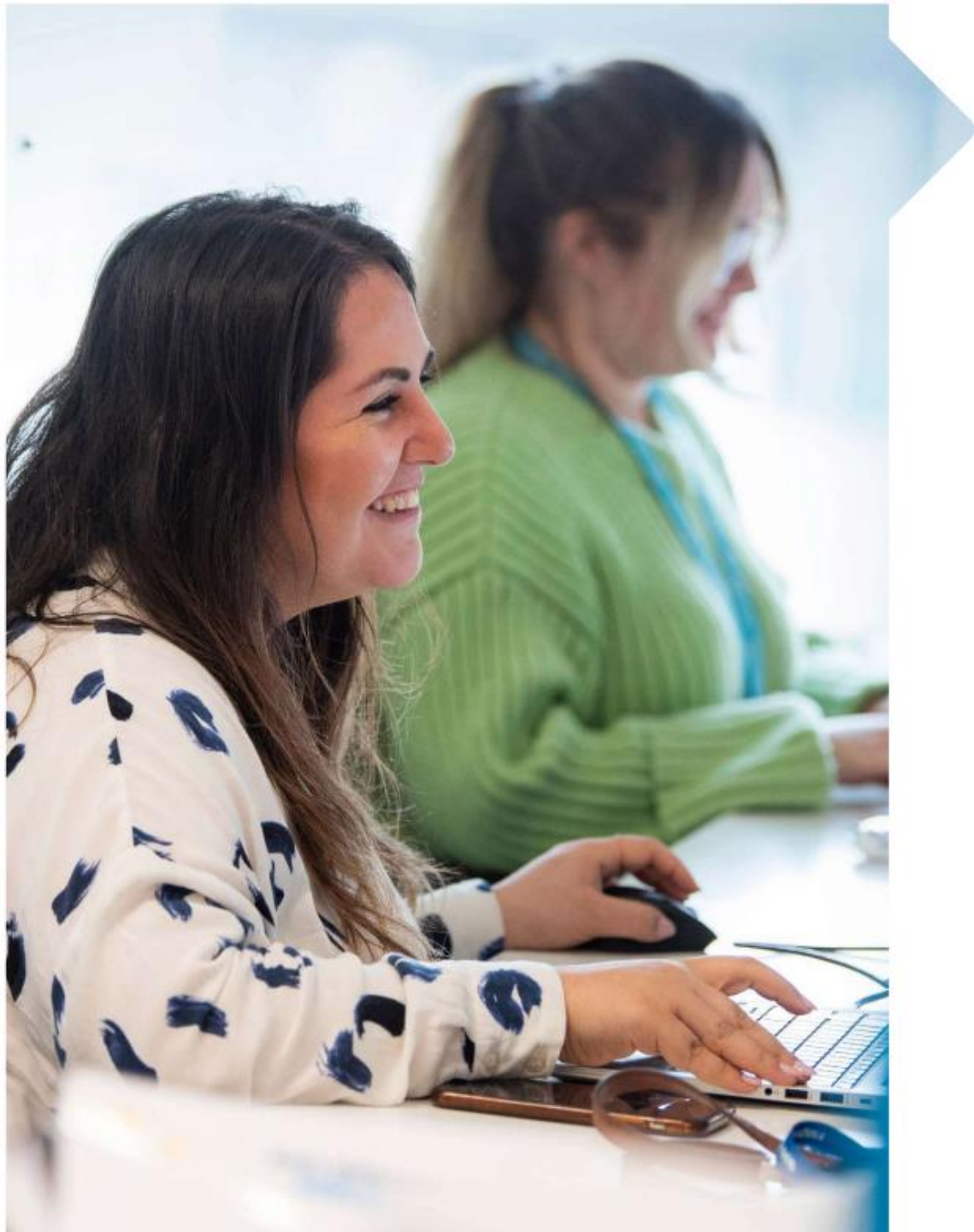




PMI GENDER PAY GAP REPORT 2025



PHILIP MORRIS LIMITED



AT A GLANCE:

Philip Morris Limited (PML) and
Philip Morris Global Studios Limited (GSL)

- > The total median pay gaps for our two UK businesses (PML -12.60% & GSL 9.06%) remain lower than the UK national average (13.1%)¹
- > We have near-parity in proportion of men and women receiving bonuses, with an overall increase in the number of people receiving bonuses
- > Representation of women in both businesses has increased, with an uplift of 1.2% in female representation across the UK, as we look to continue to improve the diversity of both PML and GSL
- > We have coaching, early careers and leadership programmes in place to help our people realise their potential and accelerate their careers
- > We remain committed to ensuring we attract, develop and retain female talent, particularly into senior leadership positions

¹ ONS Gender Pay Gap for all employees in the UK – 2024. Gender Pay Gap in the UK – Office for National Statistics (<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2024>)



WHY GENDER BALANCE MATTERS TO OUR UK BUSINESSES

At Philip Morris, we know that if we want to meet the needs of our consumers and truly represent them, we need a diverse workforce who are empowered to be their best. A key driver of an inclusive workplace culture is diversity. To help foster that, we strive to make sure every voice is heard, valued and respected.

Diversity, equity and inclusion are at the heart of our culture. Our values – our company DNA – have DEI as a red thread running through them. It's a commitment we hold in the highest regard, with a leadership team focused on creating an environment where individuals of all genders have equal opportunities for professional development and advancement and an ability to play a part in our success.

We've increased women's representation across our businesses again this year and maintained a pay gap below the national average, although as ever, we recognise that there is more to be done. This report details our progress and the strategies we have in place – all of which are central to our wider purpose of creating a smoke-free future.

I confirm the data and information presented in this report is accurate and meets the requirement of the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Adrian Shooter, VP P&C UK, Ireland & Global Studio

DEFINING THE GENDER PAY GAP

Gender pay gap reporting provides a framework for employers to measure and identify differences in men and women's pay. Employers are encouraged to analyse the root cause(s) of pay differences, and work to reduce – and eventually – remove them.

The gender pay gap compares the base and bonus pay of all men and women in an organisation, without considering differences in job roles, experience and qualifications. The gender pay gap is not the same as 'equal pay' – paying men and women equally for performing identical roles – which has been a legal requirement in the UK since 1970.

Key Metrics

- ▶ **Gender representation** - The proportion of men and women employed.
- ▶ **Median total gender pay gap** - The difference between the average equivalent hourly earnings of men and women. Reported by gender, this is the salary that would be in the middle, if each salary were listed in numerical order. This is generally thought to be the best representation of what is 'typically' earned by the average employee of the respective gender.
- ▶ **Mean total gender pay gap** - This is best understood as the 'true' average of the equivalent hourly earnings of men and women – the sum of men's salaries and of women's salaries divided by the number of employees of the respective gender.
- ▶ **Pay quartiles** - Salaries across the business are ranked from highest to lowest and divided into four evenly sized groups. The percentage of men and women in each group is reported.
- ▶ **Bonus pay gap** - The difference between women's and men's bonuses paid over the 12-month period before the snapshot date – both median and mean bonus pay gaps are reported.
- ▶ **Bonus proportions** - The proportions of men and women who received bonus pay during the reporting period.

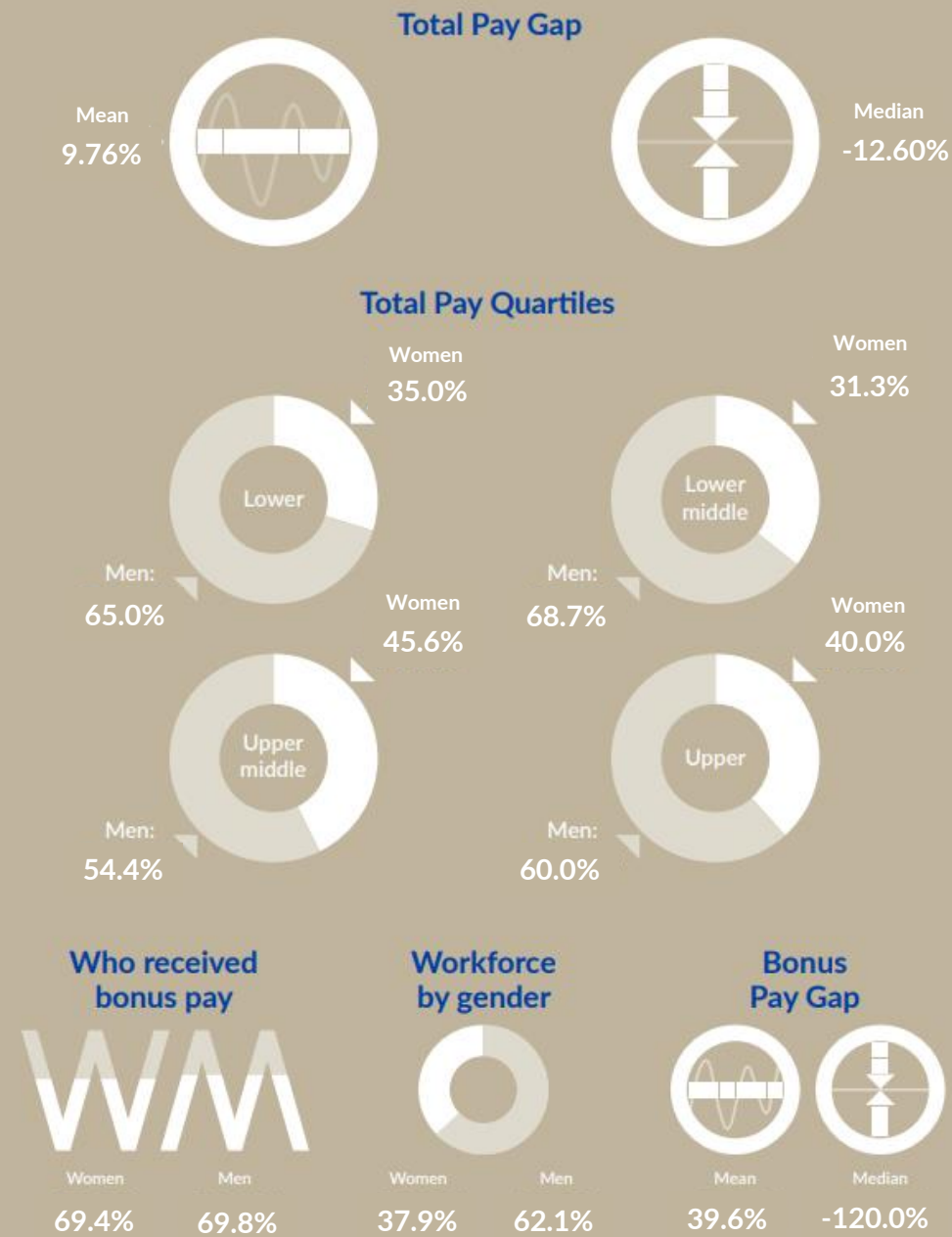
OUR RESULTS: PHILIP MORRIS LIMITED

Philip Morris Limited (PML) is the UK affiliate of Philip Morris International. PML is the commercial business and consists of commercial and sales functions, and enabling services such as legal, supply chain, IT, human resources, finance and others.

Representation of women in PML increased during the reporting year, and the proportion of women in our upper pay quartile has again increased, indicating that our strategies to increased female representation at a senior level are continuing to have an impact.

Our median pay gap continues to favour women and has remained stable, moving slightly further in favour of women over the reporting year. However, we have seen a shift in the mean pay gap towards men, and will continue to address this through our internal checks and balances.

The percentage of both men and women receiving bonus increased, with a greater increase for women. We will continue to monitor our approach to bonus, as we currently see a significant median shift towards women and a mean shift towards men.



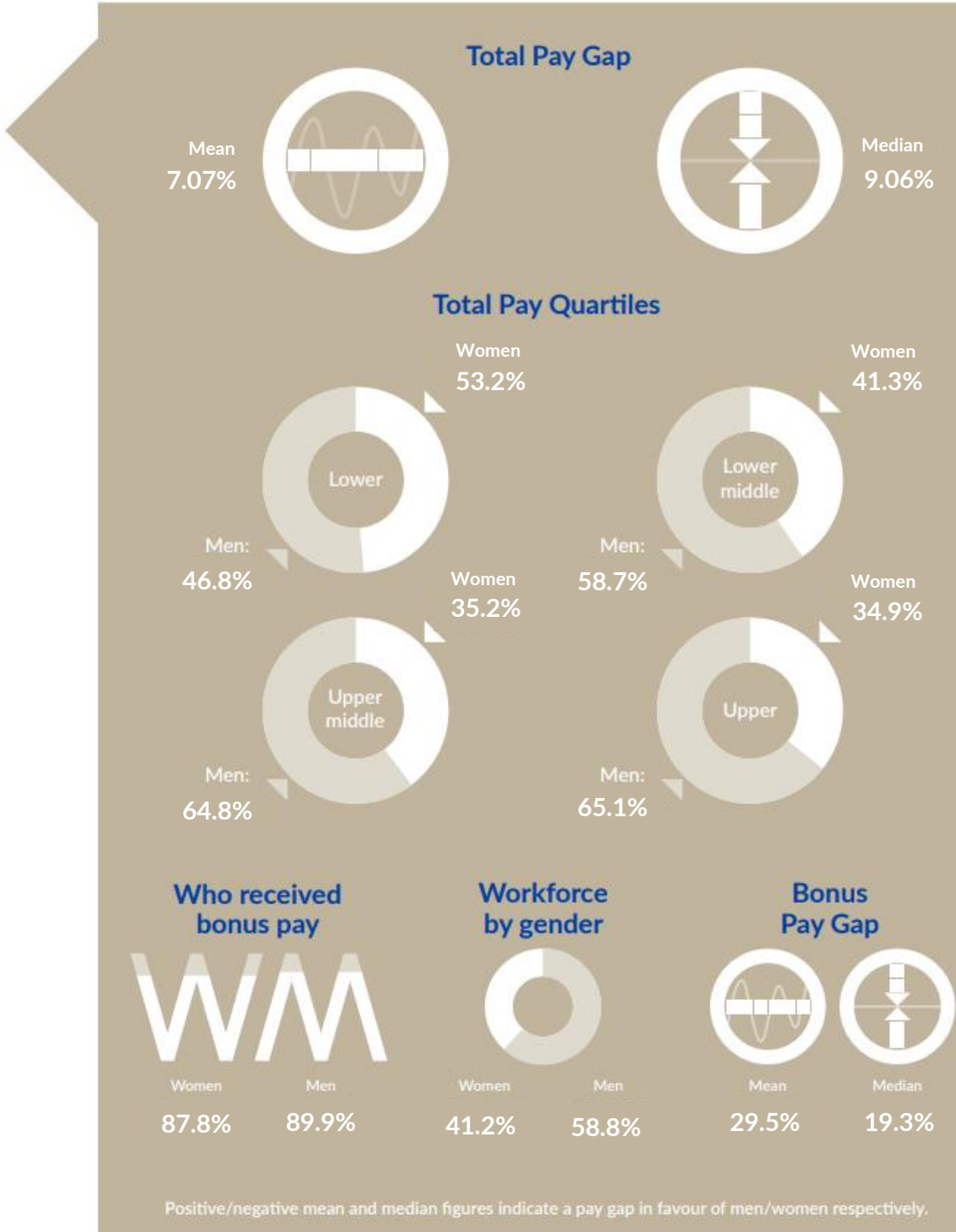
Positive/negative mean and median figures indicate a pay gap in favour of men/women respectively.

OUR RESULTS: PHILIP MORRIS GLOBAL STUDIO

The primary function of Philip Morris Global Studio Limited (GSL) is to provide creative services to PMI's global operations. However, it has grown more recently to incorporate complementary enabling functions such as legal, public affairs, and business services on behalf of the global business.

Global Studio is in its third year of reporting, and over this reporting year we have seen an improvement in our mean pay gap. Our median pay gap has increased, and we will continue to address this through attraction, retention and mobility of female talent in the business.

We have seen an increase in the number of people receiving bonus across both men and women, and an overall improvement of the representation of women within GSL. Our pay quartiles have remained broadly stable, and we will continue to monitor and address the distribution of talent and remuneration within our business.



OUR COMMITMENT TO REDUCING THE GAP

Attraction

- > We continue to focus on an inclusive approach for our recruitment processes, including job descriptions and interview shortlists and panels. We also periodically run campaigns designed to attract a wider diversity of candidates into our talent pool. As a result, we are pleased that the overall representation of women at both PML and GSL increased during the reporting period.
- > We continued our partnership with Work180, a global platform that enables women and marginalised groups to find inclusive employers. We also continued our ongoing work with industry bodies such as Grocery Aid (with whom we partner on cross-industry mentoring and support), whose inclusive arm aim to improve inclusivity across the grocery sector.
- > We are in our seventh year of running our EVOLV graduate accelerator programme – investing in early careers and nurturing junior talent is key to developing a diverse pool of potential future leaders.

Retention and progression

Development programmes

- > We continue to provide our employees with a wide range of learning opportunities – from our large in-house suite of programmes including License to Lead (manager development programme), Accelerate, and our Women in Leadership programme, through to financial assistance for pursuing external certification or further education.

Benefits

- > Our extensive suite of benefits from private medical and dental coverage, a monthly flex-pot allowance as well as enhanced family leave schemes all ensure our employees are well-supported throughout different life stages.

Employee listening

- > It is important to us that we regularly encourage employee feedback. Inviting our employees to share their experience of working at PMI twice each year is an important part of our employee listening strategy. And we act on our employees' feedback.

ERGs

- > Our six global employee resource groups provide our people with supportive networks they can connect with to have courageous conversations, celebrate cultural events, and shape our culture. Our global ERGs are: AdvantAGE – age diversity; Embrace – race and ethnicity; Parents@ – parents and caregivers; PMI Able – disability; Stripes – LGBTQ+; WIN – gender (women).

Flexible working

- > We recognise our employees are whole people, and work is just one part of their lives. We encourage hybrid working to enable people to benefit from both in-home and in-office environments. We offer flexibility for start and finish times and for working schedules.

Inclusive environment

- > Over the reporting year, we provided our employees with access to dedicated inclusion and wellbeing speaker sessions and training courses, proactive career management, emotional intelligence seminars, a men's mental health session, social activities, and more. Our leadership team have also participated in dedicated sessions to support their inclusive leadership journeys.