

Gender pay gap report 2021



We want Three to be a place where everyone feels supported. Where everyone can succeed, develop, and flourish.

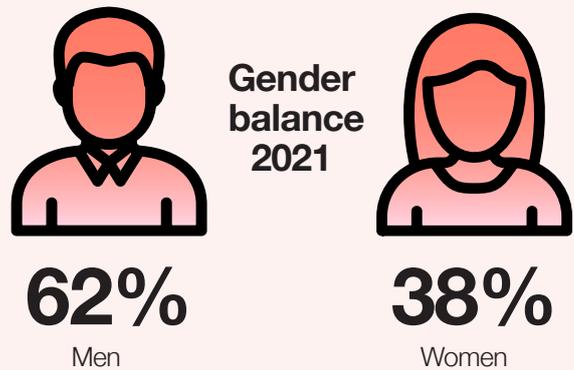
To achieve this, we need to be transparent, recognise what we're doing right and how we can improve.

This year, our gender pay gap has increased as a result of the corporate restructuring that took place in 2020. This increased the number of roles in Technology, a traditionally male dominated area,

and reduced the number of roles in traditionally female dominated areas, Commercial and People. We recognise that we need to put more focus on areas that will make the biggest difference and continue our previous trend of continuous improvement. In response to this we have created an action plan and targets to achieve 50/50 gender balance in leadership positions by 2030.

Equal pay, and the gender pay gap

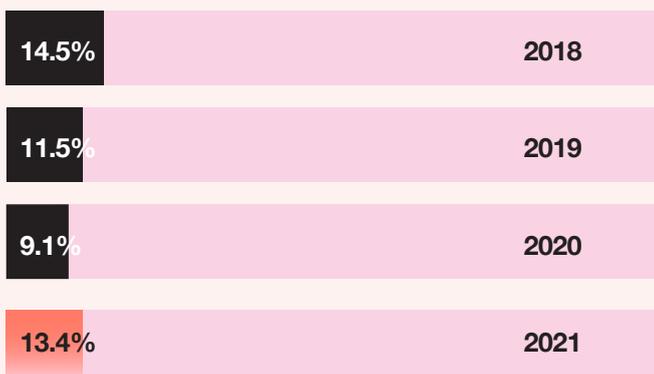
The gender pay gap is the difference in the average pay of all the men and all the women in our organisation - regardless of the work they do. It's different to equal pay, which is where men and women get paid equally for equal work.



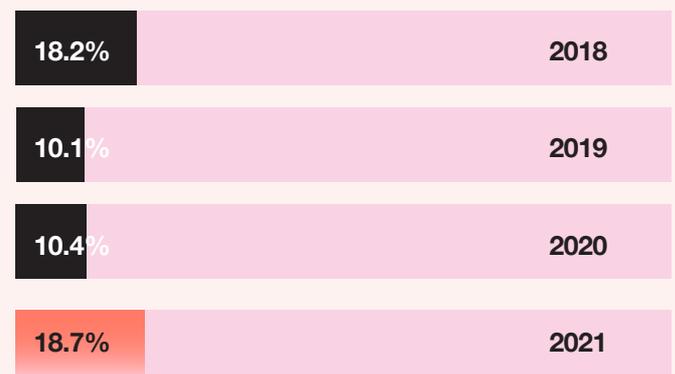
4 year trend

These results are calculated as of 4 April 2021:

Mean gender pay gap

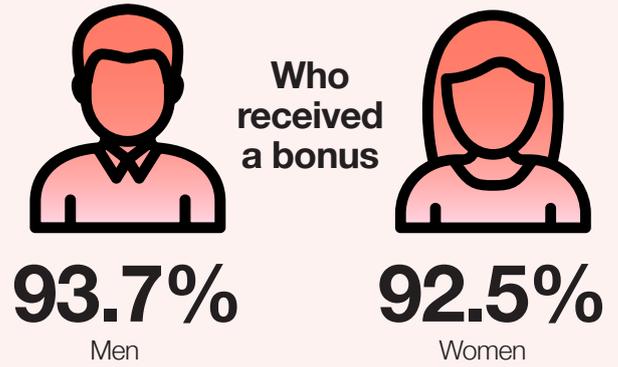


Median gender pay gap



Our gender bonus gap

Unlike the gender pay gap, which is based on average hourly pay, the bonus pay gap is calculated on actual bonus amounts paid over a 12-month period. This doesn't account for part-time working, which materially influences our bonus gap, with more women working in part-time roles.



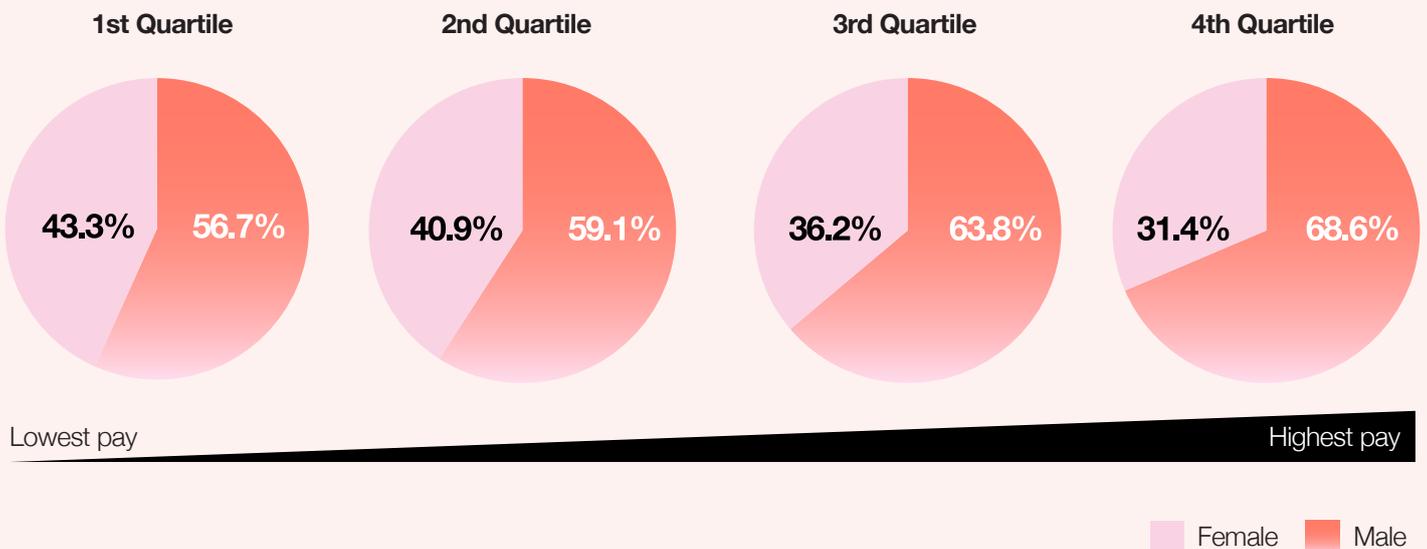
Mean gender bonus gap



Median gender bonus gap



The proportion of men and women in each pay quartile | 2021



Why we have a gender pay gap

Every year, our gender pay gap analysis gives us an opportunity to understand the diversity of our workforce, and identify the focus areas to create an inclusive culture. Similar to other technology businesses, a lot of our gender pay gap is explained by having fewer women in our higher-paying technology functions.

This year, due to our network ambitions, we have grown our technology roles by 1/3, while our functions with a higher representation of women have shrunk. The industry in the UK experiences a shortage of women in technology roles,

which continues with fewer girls choosing STEM subjects in education. This has impacted our gender pay gap.

However, our attraction, development and progression strategy is focused on improving the representation of women in leadership. We're confident that we can return our pay gap to 2020 levels and improve from there.

We delivered on our 2020 commitments

A hybrid approach to working

We embraced the changes that came with lockdown, and blended them with both our business' demands and our people's needs. We launched hybrid working with core hours from 10am-4pm for all staff in our office-based functions, and introduced a revised flexible working policy. This acknowledges our people's changing needs, and gives more flexibility managing work and life.

Developing our talent and career offering

We're proud of our new Graduate Trainee programme, which launched in 2021. It's brought in diverse talent across all functions, including 41% women and 38% BAME employees. Our cross-geography Mentoring programme has been a huge success across core and retail, and gives support to many employee groups.

Reporting on pay

We've created a quarterly Remuneration Committee. This allows us to track our pay, recruitment and promotions decisions through a diversity lens, helping us make more informed decisions going forward.

However, we need to continue to enhance and embed our flexible working and our gender-focused policies.

“We need to improve our Gender Pay Gap results. To address the imbalance head-on, we've developed an ambitious strategy to ensure our female-identifying employees feel that Three is a place where they can succeed and develop.”

Mark Redmond,
Chief People Officer,
Three UK & Ireland



Our plan for 2022

We've assessed our outcomes from 2021, looked at what we did right in 2018 to 2020 and we've identified 4 key areas which we believe will help close the pay gap.

Achieve our functional representation targets

By 2030, we want to improve gender representation in leadership roles. So, our aim is to increase the number of people who identify as female, in senior leadership roles from 32% to 50%.

Enhance and embed our Hybrid and Flexible working

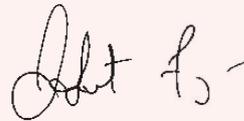
We'll continue to listen to our people and embed our flexible working options. We're going to keep gathering insights from our people to ensure they're supported to manage their work/life balance.

Review our policies with a focus on gender

We're going to review our employee policies for best practice to ensure they're fit for purpose, to ensure they are inclusive and supportive for all our employees.

Make sure our benefits are for everyone

We're reviewing our employee perks and benefits to ensure inclusivity and more support for women and parents, non-binary, and Trans employees.



Robert Finnegan,
Chief Executive Officer,
Three UK & Ireland



Mark Redmond,
Chief People Officer,
Three UK & Ireland

Ethnicity pay gap report 2021

“I'm delighted that we're reporting on our ethnicity pay gap for the first time so that we can focus on the agenda in the same way as we have with gender. In the immediate term, we're focused on increasing the amount of data we have on ethnicity, so that we can set clear targets to further improve our diversity across the business.”

Robert Finnegan,
Chief Executive Officer,
Three UK & Ireland

Our ethnicity pay gap:

We are pleased to be reporting our ethnicity pay gap data. This is taken from a smaller set of data than our gender pay gap, as it is based on the 46% of our people who have shared their ethnicity information with us.

The ethnicity pay gap shows the difference in the average pay between all the people from ethnic minority backgrounds in the organisation, compared to employees who identify themselves as 'White'.

Median hourly pay gap

1.9%

Mean hourly pay gap

4.6%

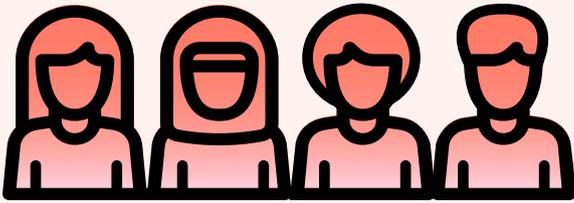
Our ethnicity bonus gap:

Median

34.3%

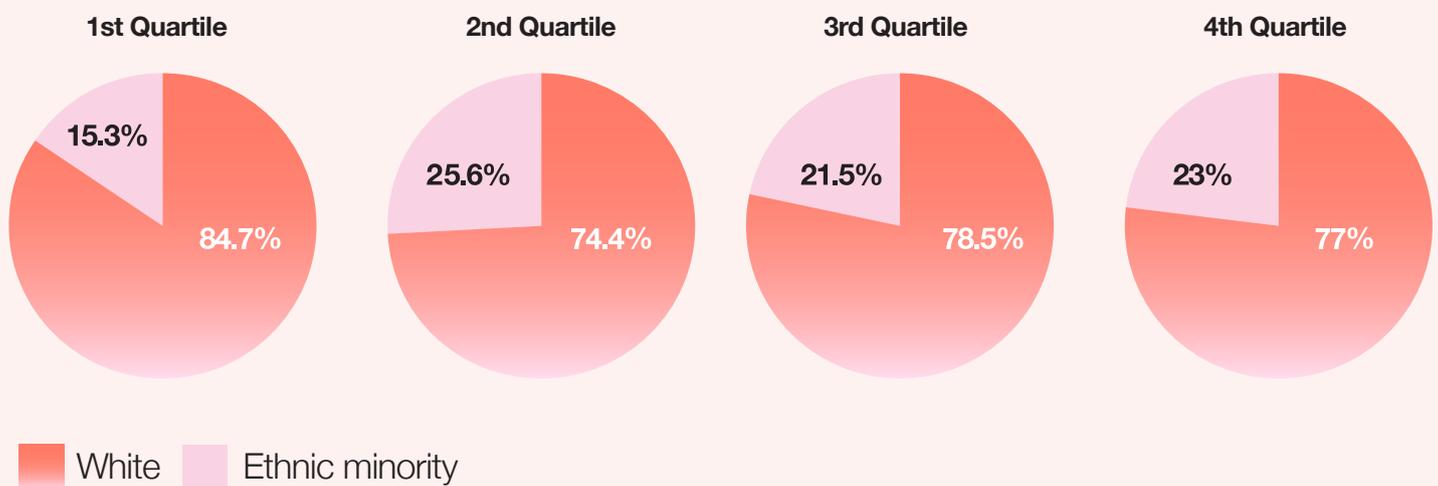
Mean

28.9%



Where our ethnic minority and white employees sit across our pay quartiles.

These calculations are based on a total ethnicity data disclosure rate of 46.8%.



We're pleased that our baseline ethnicity pay gap is small. Our goal will be to increase our disclosure of ethnicity data so that by 2023, we can establish firm ethnicity targets for 2030.

Robert Finnegan,
Chief Executive Officer,
Three UK & Ireland

Mark Redmond,
Chief People Officer,
Three UK & Ireland