

Pay Gap Report 2023



At Three, we are committed to fostering a sense of belonging where lived experiences shape our culture, and everyone can thrive in an authentic, diverse and inclusive environment.

Our goal is clear, to create an environment where women feel empowered and supported every step of the way. We recognise that traditional approaches may not address the varied needs of our people, so we're taking a holistic approach to ensure inclusivity for everyone in the workplace.

By focusing on comprehensive solutions, we're not just addressing surface-level issues but diving deep into systemic challenges. From mentorship programmes to flexible work arrangements, we're implementing strategies that promote equality and foster a supportive culture for women. We believe that by understanding and responding to the unique needs of women, we can create meaningful change.

We recognise the importance of having diverse voices at the table, and that means we need more women leaders as role models to inspire others, both within Three and beyond. Through our initiatives, we've already seen positive changes in closing the gender pay gap and an increased representation of women in leadership roles. Our focus is not just getting women in the door but keeping them engaged and empowered to progress and thrive at Three. We still have work to do to ensure we meet our gender target of a 50:50 split in our leadership roles by 2030.

Our pay gap report continues to feature details on our ethnicity pay gap, highlighting our commitment to progressing in this area, with a proactive action plan to drive change.

Our pay gap report underscores the importance of ongoing efforts to ensure fairness and opportunity for all. We know transparency and accountability is key, and while we've implemented significant initiatives, we acknowledge there's more work ahead. We want to ensure we have different perspectives that reflect our customer base, leads to better decision making and ultimately drives business growth.



A handwritten signature in black ink, appearing to read 'Robert Finnegan'.

Robert Finnegan,
Chief Executive Officer,
Three UK & Ireland

Through focused strategies and collaboration, we're dedicated to creating an environment where every individual feels valued and empowered to succeed, regardless of gender or ethnicity. We have set ourselves clear targets and defined our commitments to go even further and with the support of our Diversity, Inclusion and Belonging committee, employee networks and senior sponsors we continue to prioritise achieving greater balance of representation across the Business.



A handwritten signature in black ink, appearing to read 'Priyanka Rai Jaiswal'.

Priyanka Rai Jaiswal,
Director People Propositions,
Diversity & Inclusion, Three UK & Ireland



A handwritten signature in black ink, appearing to read 'Mark Redmond'.

Mark Redmond,
Chief People Officer,
Three UK & Ireland



Our gender pay gap

The gender pay gap is the difference in the average pay of all the men and all the women across the whole of our organisation - regardless of the work that they do.

The mean represents the average salary of all our employees. The median is the exact middle point of the range of all salaries paid by Three.

Our gender pay gap continues to be largely influenced by demographics of leadership and high paying specialist roles.

Mean gender pay gap

13.4%	2021
11.9%	2022
11.9%	2023

Median gender pay gap

18.7%	2021
10.9%	2022
11.7%	2023

“Throughout my career at Three, I've benefited from the supportive and inclusive culture, allowing me to progress through varied roles. Now, I'm proud to be supporting others, focusing on amplifying women's progress through professional development, building supportive connections, and driving actionable initiatives for gender equality.”

- Elin McLean, Senior Sponsor of Women at Three network, General Manager SMARTY

Our gender bonus gap

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

We have also seen a general increase in % of women eligible for a bonus over this time.

Who received a bonus

Men **95.5%**

Women **94.2%**

Mean gender bonus gap

28.9%	2021
29%	2022
39.5%	2023

Median gender bonus gap

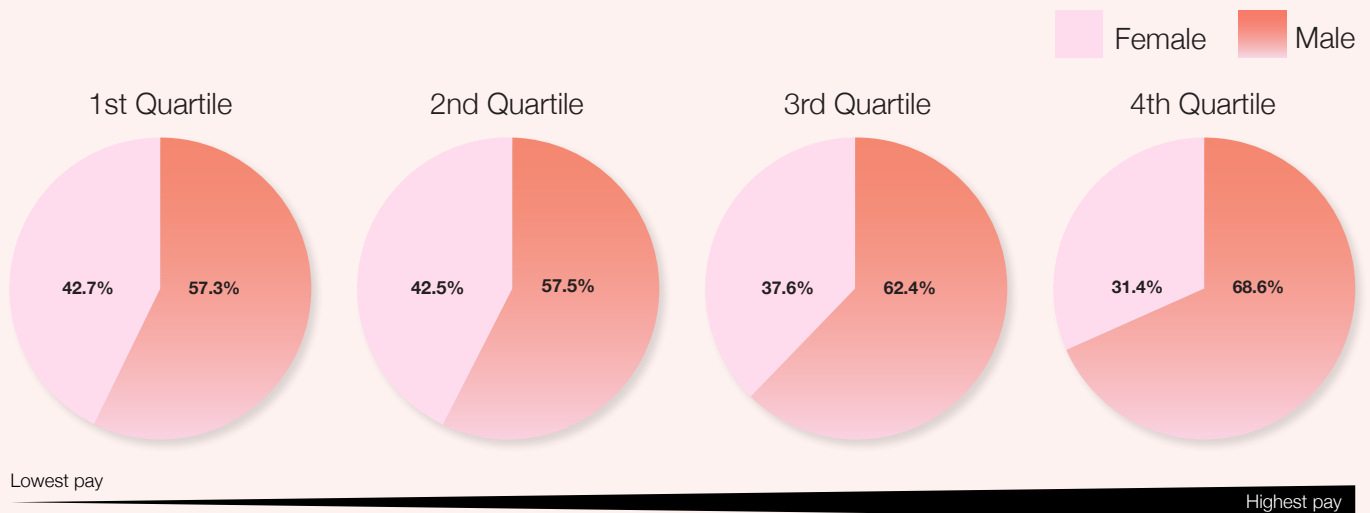
34.3%	2021
35.1%	2022
33.3%	2023



The proportion of men and women in each pay quartile | 2023

A quartile is when we put all numbers in order from the lowest to the highest and then divide them into four equal-sized groups. This puts people on our lowest pay rates into quartile one and highest pay rates in quartile four.

We have seen a general increase of representation of women in the top two quartiles due to hiring and progression but have more work to do.



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. This helps us to define our areas of focus as we continue to create an inclusive culture at Three.

As a Technology business our pay gap continues to be primarily influenced by the demographics in the UK talent market. We continue to focus on gender balance in our recruitment efforts and developing a talent pipeline for technical and specialist roles. This is done through our graduate offering, training and mentoring programmes and our STEM (Science, Technology, Engineering, Mathematics) work within the local community to encourage more girls to choose STEM subjects.

“Three has real palpable passion to help women succeed – I’ve been empowered first hand through our hybrid working model. I have flexibility to work in a way that suits me, my personal responsibilities, and the business.”

- Emily Brewer, Diversity, Inclusion & Belonging Committee member and Executive Assistant



We delivered on our 2022 commitments



Continued to focus on achieving our gender targets

- Moved in the right direction to achieve 50:50 by 2030, reaching 33.1% gender balance in leadership roles at the end of 2023 - an increase of 1.8%.
- Introduced a new inclusion and belonging strategy which is led by our Exec and senior leadership team – with a focused action plan and measures.
- Profiled female leaders from across the business, including a ‘Women in Leadership’ video series to help attract women into leadership roles.



Embedded new ways of working & support

- Our feature in the Times Top 50 recognised our flexible and hybrid working offering for gender equity, and we continue to actively promote flexible working in our job ads.
- 94% of flexible working applications received were approved to commence a trial period, with 97% of trial periods being successful.
- Launched our enhanced fertility support, paternity offering and menopause support.
- Worked closely with our “Women at Three” employee network to ensure equity in tools, access and support for women in the workplace, ranging from wellbeing, right through to pay, benefits and progression at work.



Focused on attraction and talent development

- Introduced mandatory Digital Hiring Manager training to help recognise bias and ensure inclusivity throughout the recruitment process.
- Focused on gender balance through internal career development programmes like Aspiring Managers to ensure we are offering development opportunities to support internal progression.

“Over my 13 years at Three, I’ve met different people who have inspired me as a leader. There have been loads of people who have found a place in my journey as I was balancing work and home life and it was nice to have an environment where I was able to be me, feel heard, feel seen. I think that’s one of the reasons why I’m still here.”

– Fazheelah Bham, Area Manager



Our plan for 2023-2025

We know there is more work to be done and we will be focusing on two key areas:

Embedding our holistic approach to Inclusion & Belonging – with a clear gender equality roadmap

- Designing tailored people propositions and engagement plans for diverse employee segments and life journeys e.g. parents offering, and leave and absence offering for carers.
- Reviewing our career site and sharing our commitment & support to inclusion to attract diverse candidates.
- Further evolving our partnerships with employee networks and local charities to support STEM education with schools and universities.

Building on equity in opportunities for progress and support

- Providing targeted support through talent development and equity in progression opportunities through development pathways.
- Continuing to identify ways in which we can improve pay transparency and give clear guidance, principles & governance for hiring and progression.
- Work alongside external partners including Business In The Community and Ofcom to establish a gender equality standard across the industry.

Our ethnicity pay and bonus gap

We have for the third year voluntarily published our Ethnicity Pay Gap, which is greatly influenced by low employee disclosure rates, specifically in our Retail function. We are committed to keeping the focus in this area and will be working to improve disclosure rates in Retail.

In 2023 we have set leadership ethnicity targets and aim to achieve 20% of people from ethnically diverse heritages in leadership positions, 5% of whom will be black (inc. all black heritage), by 2030.

We have a proactive action plan based on insights from our BITC Race at Work report, which includes:

- A Talent Acquisition Ethnicity dashboard to track ethnic diversity during recruitment journeys and internal promotions.
- Reviewing our inclusive leadership & hiring manager training with a focus on ethnicity.
- Appointing an SLT sponsor with Ethnicity focus.

Gap	2021	2022	2023	Change
Median Pay	1.9%	-2.6%	-2.0%	+0.6%
Mean Pay	4.6%	2.2%	4.7%	+2.5%
Median Bonus	9.9%	-0.5%	-1.8%	-1.3%
Mean Bonus	14.1%	8.9%	15.7%	+6.8%

