

# Gender pay gap report 2022



**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 and to recognise what we're doing right and where we can improve.**

This year, we're pleased to announce that our gender pay gap has narrowed. This is as a result of our focus on improving our gender balance in leadership roles and our continuous efforts to ensure our pay decisions are fair and consistent.

## Women in leadership

We're delighted to have already made good progress with our gender action plan and our target to achieve a 50/50 gender balance in leadership positions by 2030.

A clear focus on our attraction, development, and progression strategy has already seen a 2% increase, from 32% to 34%, in the representation of women in these positions in the ten months since setting gender targets in April 2022.

In growth areas of the business, where there has been greater opportunity for new hiring, we've grown the number of women in leadership to 30.6%. That's a 7.3% increase on last year's 23.3%

## The living wage

We're committed to ensuring everyone at Three is treated fairly and feels supported at work and outside of work.

We're proud to be an employer that pays the living wage. We undertook a full pay review during late 2021. Taking into account current cost of living rises, we implemented a pay rise to 41% of our employees that was higher than the recommended Living Wage Foundation rate.

Our retail customer advisors, who are 43% women, got an average increase of 12.6%. We also changed our approach to pay reviews in 2021 to ensure employees who are lower in the pay range, and perform well in their current role, receive a higher raise. As a result, women have on average received 13% higher increments compared to men.

## The gender pay gap and equal pay

**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.**

Equal pay is the principle that men and woman who do the same work should be paid equally.

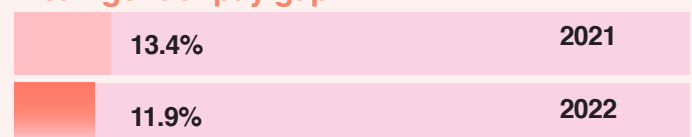
## 2-year trend

**These results are calculated as of 4 April 2022:**

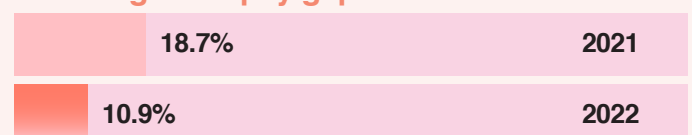
The mean represents the average salary of all our employees.

The median is the exact middle point of the range of all salaries paid by Three.

### Mean gender pay gap



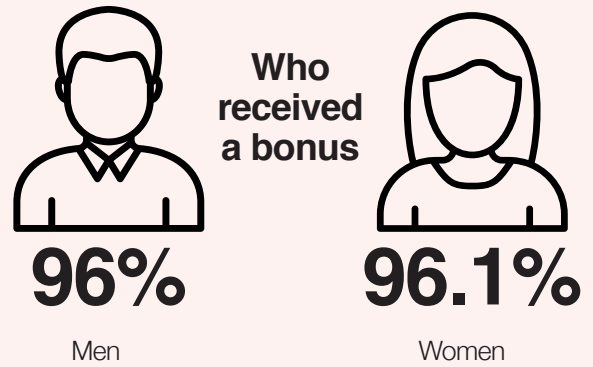
### Median gender pay gap



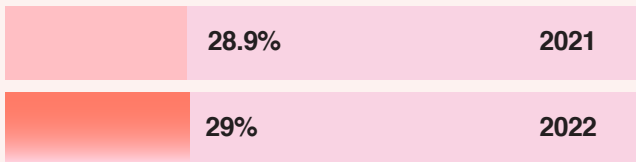
# Our gender bonus gap

Unlike the gender pay gap, which is based on average hourly pay, the bonus pay gap is calculated on any bonus amounts paid over a 12-month period.

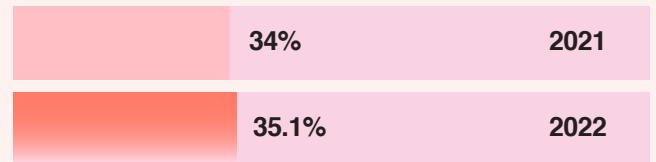
This doesn't account for part-time working, which materially influences our bonus gap, as more women work in part-time roles.



## Mean gender bonus gap

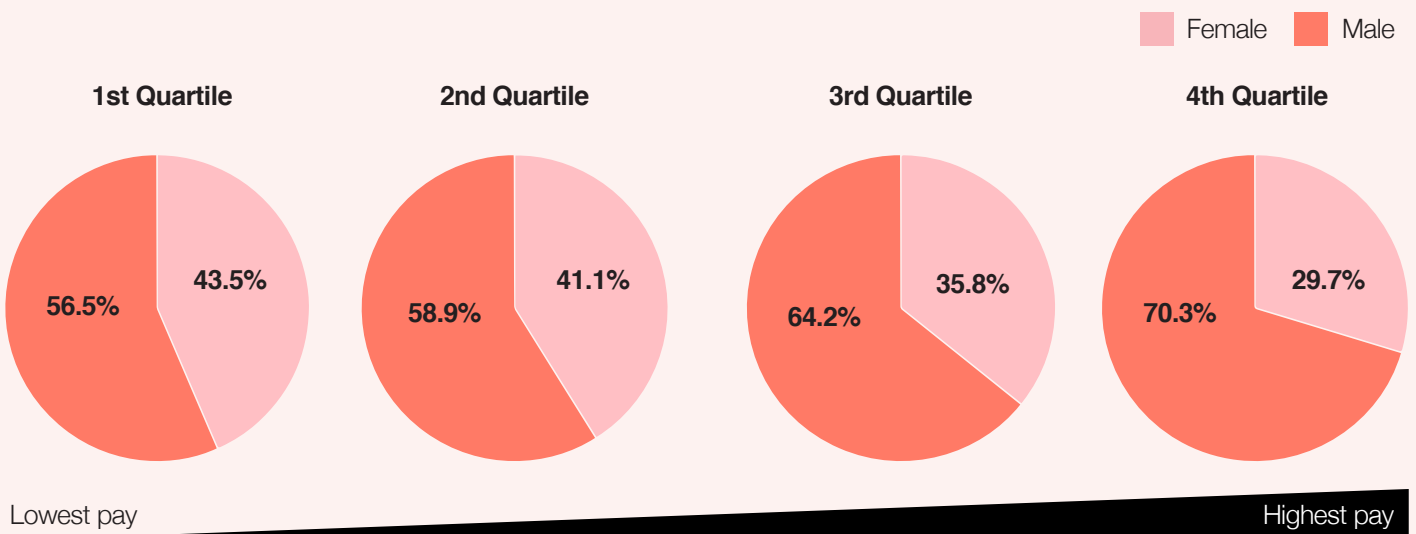


## Median gender bonus gap



# The proportion of men and women in each pay quartile | 2022

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.



# 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 company, a lot of our gender pay gap is explained by having fewer women in leadership and specialist positions in our higher-paying technology functions. This is similar to many other technology companies.

We've put together a clear strategy to improve the gender balance in these areas and have already started to see improvements. We hope to see the full impact of these changes in next year's report.

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## We delivered on our 2021 commitments

### Functional representation targets

We committed to increase the gender balance in senior leadership roles from 32% to 50% by 2030. Within just 10 months we have achieved an increase of 2%.

### Enhance and embed our Hybrid and Flexible Working policies

Our Flexible Working policy is now open to everyone from day one of employment. We've simplified our processes and we have a 100% application acceptance rate for trial periods. 80% of applications have been from women and our policies have a 90% satisfaction score from employees in our employee engagement surveys.

### Review our policies with a focus on gender

To fulfil our goal of being an inclusive and gender-neutral workplace, we undertook a full review of our policies between 2021 and 2022. We have implemented a number of improved policies, such as offering up to 10 days of fertility leave and enhancing our paternity leave policy.

### Make sure our pay and benefits are for everyone

We made a commitment to pay Living Wage Foundation rates to all our employees. This impacts our retail customer advisors the most, 43% of whom are women.

We've updated our adoption and maternity policies to include surrogacy and launched a new benefit to support employees and their partners with their menopause journey.

Our mentoring programme supports 46% of women. Our first level of leadership programme, which supports aspiring retail managers, has an overall 30.4% representation of women across all regions. We were pleased to see this rise to a 58.3% uptake in the Midlands area and we will aim to replicate this success in other regions.

**“We are pleased to have improved our Gender Pay Gap results but acknowledge there is more to be done. We will continue to focus on our ambitious strategy to ensure that our female-identifying employees feel that Three is a place where they can succeed, flourish, and develop.”**

**Mark Redmond,**  
Chief People Officer  
Three UK & Ireland



# Our plan for 2023

With a renewed focus on our gender targets, alongside our Diversity, Inclusion, and Belonging Strategy, we have made improvements to our gender pay gap. We know there is more work to be done and we will continue the work in 2023 by focusing on three key areas:

## Continue to achieve our gender targets for leadership roles – 50:50 by 2030

35% gender balance in leadership roles by the end of 2023

Aspire for 50% gender balance at all stages of recruitment

## Embed future of work & gender policies

Increase our current 90% satisfaction with the flexibility of hybrid and flexible working by +2%

Embed and increase engagement with our gender health benefits and leave offering

Review our leave and absence strategy to ensure it offers comprehensive support to our employees

## Focus on attraction and talent development

Update our Hiring Manager training to reduce bias and ensure inclusivity

Focus on gender in our internal career development through talent programmes like our mentoring scheme and Aspiring Manager training

Support STEM learning in educational institutions

# Our ethnicity pay and bonus gap has improved year on year

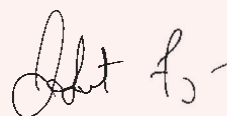
All pay and bonus gap categories, between self-identified “ethnicity” to “white”, have improved year on year. While we’re pleased with this progress, we acknowledge that this is based on a limited disclosure rate from our employees. We’re looking to improve disclosure further and to introduce ethnicity targets to achieve more representation.

Gap	2021	2022	Change
Median Pay	1.9%	- 2.6%	- 4.5%
Mean Pay	4.6%	2.2%	- 2.4%
Median Bonus	9.9%	- 0.5%	-10.4%
Mean Bonus	14.1%	8.9%	- 5.2%


**“I’m delighted that our ethnicity pay gap has reduced once again and our reporting for a second year demonstrates our commitment in this area. We are still focused on increasing the amount of data so that we can set clear targets in line with our gender action plan.”**

**Robert Finnegan**

Chief Executive Officer  
Three UK & Ireland



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**Mark Redmond**  
Chief People Officer  
Three UK & Ireland