

Three Ireland

Gender Pay Gap Report 2023

Since 2022, all companies with 250 or more employees must now report their gender pay gaps. We welcome this legislation and support its important objective – to achieve greater workplace gender equality in Ireland. At Three, we are committed to advancing and improving opportunities for all women in the workplace fostering an inclusive, engaging, and ambitious culture for our people where everyone can thrive.

Message from Mark Redmond, Chief People Officer

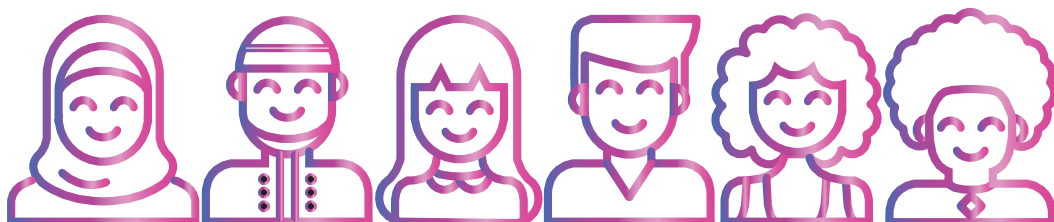
This year we have made some good progress in our diversity, inclusion and belonging efforts at Three Ireland including becoming a living wage employer, which has positively impacted on our employees in retail and customer facing roles, increasing female representation in leadership and specialist roles, while also introducing new supports for our employees including introducing fertility treatment leave, pregnancy loss leave, menopause support and enhanced paternity leave. In addition, we also held our first Women at Three awards to acknowledge and celebrate our female role models in the organisation and reviewed our inclusion and belonging strategy to support the diverse needs of all our people.

This year we report an improvement in our gender pay gap with our 2023 mean gender pay gap demonstrating an improvement of 1.7%.

While this is progress, we acknowledge that we are not where we want to be. We know that there is more that we need to do to improve gender diversity and representation at all levels across our business.

We recognise that the gender pay gap is a complex problem to address, and we are committed to the long-term effort that is required to ensure that Three Ireland is a place where all employees can thrive.

In our Gender Pay Gap Report 2023, we have set out our gender pay gap statistics, as well as the reasons for our gaps and the measures we are taking to reduce this gap and seek improvements.



What is the gender pay gap?



The gender pay gap is a measure of the difference between how much all the men in the business and all the women in the business earn, regardless of role or seniority.

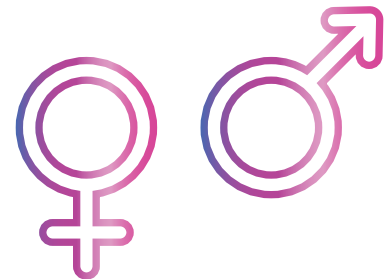
Definitions.

What the ‘mean’ pay gap shows.

The mean pay gap shows the difference between how much men and women earn on average across the business, in its entirety. It’s worked out by adding up the hourly earnings (during June 2023) of all the men in the business, and then dividing by the number of male employees, and similarly by adding up the hourly earnings (during June 2023) of all the women in the business and dividing by the number of female employees. This will give the average hourly mean pay for each gender. From these two calculations we can calculate what the pay gap is. The mean bonus gap is worked out in the same way but using bonus pay over a 12-month period.

What the ‘median’ pay gap shows.

If you took all the women in the business and lined up their hourly rate from lowest to highest (during the month of June 2023) and found the middle, and did the same for men, this gives you the mid-point. The median gap shows the difference between these two mid-points expressed as a percentage. The median bonus gap is worked out in the same way but using bonus pay over a 12-month period.



Gender pay gap vs equal pay

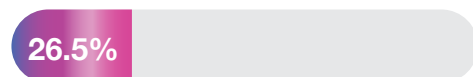
The gender pay gap is not the same as equal pay. The two concepts are very different.

The gender pay gap is the output of a statistical calculation. It compares the average figures for both the pay and bonus of the total workforce. Gender pay gaps do not take into account the fact that the “average” men and women may be doing very different roles and highlight demographic gender imbalance in an organisation.

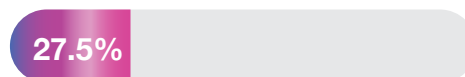
Equal pay is about ensuring that men and women doing the same work, or work that is of equal value, will receive the same pay. At Three Ireland there are no equal pay issues, with men and women in the same roles, receiving equal pay, as is our statutory obligation. This is not a contributing factor to Three’s gender pay gap figures.

What are our gender pay gap figures for 2023?

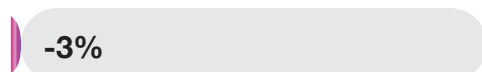
Our figures as at 30 June 2023 are below.



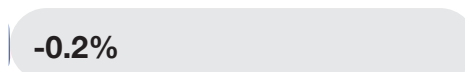
Mean gender pay gap



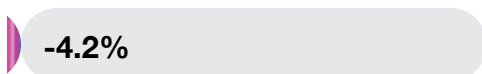
Median gender pay gap



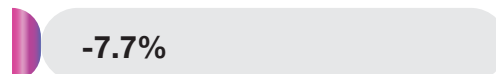
Mean gender pay gap - part time



Median gender pay gap - part time



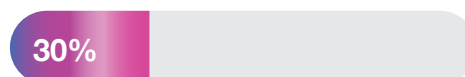
Mean gender pay gap - temporary



Median gender pay gap - temporary



Mean bonus gap



Median bonus gap



Proportion of men receiving a bonus



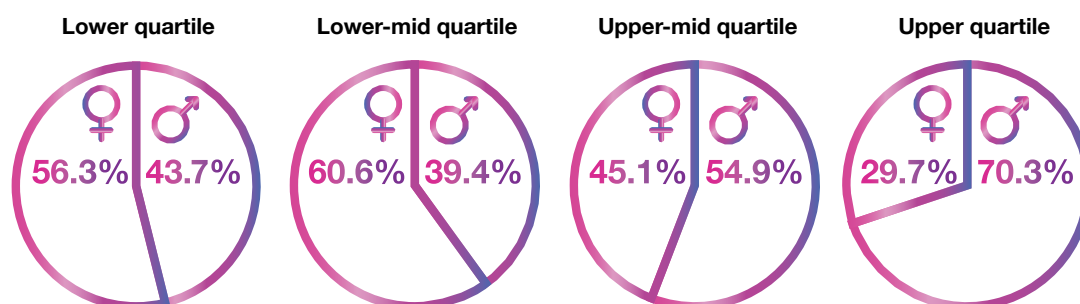
Proportion of women receiving a bonus



Proportion of men receiving a BIK



Proportion of women receiving a BIK



Temporary – All employees on fixed term contracts

BIK (Benefit in Kind) - This includes any non-cash benefits. For example, pension contributions, company car or health cover.

To eliminate the gender pay gap, it requires long term, focused and consistent efforts made over many areas.

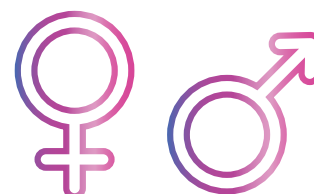
There is no overnight solution, but rather it is a long-term commitment to change. While

there are some key external drivers outside of our organisation that may influence the gender pay gap, we are confident that with our efforts and commitment, our gender pay gap will continue to reduce over time.

Why do we have a gender pay gap?

Our 2023 figures show a similar picture to last year where our gender pay gap is primarily influenced by the distribution of men and women working in the organisation and the seniority at which they work.

Three Ireland has a high proportion of women who work in our customer service contact centre, and our retail stores. These roles, while competitively paid within the sector and adhering to the national living wage, have lower earning potential to other roles. Alongside this, we have more men in specialist technology roles which are higher paid roles by their nature. This variance has the single biggest impact on Three Ireland's gender pay gap.



Since setting our gender balance targets in leadership and specialist roles in 2022, we have seen an increase in female representation in these roles, and we will continue to drive towards achieving our targets to increase female representation in these roles.

Talent challenges continue to be a common issue for many technology companies, particularly around high paying skills like engineering which have more men in the talent pipelines vs women. As an important employer in the technical and engineering space, we recognise the role we must play in helping to address the disparity in this industry. One way which we are addressing this is through our STEM scholarship partnership with Trinity College Dublin on two key programmes of work. Three's 'Connect to STEM' scholarship funds the creation of 25 Scholarships for Women in STEM over five years and two Three Ireland Trinity Access Teacher Fellowships for three years.

- The scholarships, valued at €20,000 each (over a 4-year undergraduate degree) are aimed at attracting women in Ireland to study STEM subjects at Trinity College Dublin. 10 STEM scholarships have been awarded in the last 2 years.
- The two Trinity Access Teacher Fellows are funded by Three Ireland as part of the Trinity Access Pathways to STEM Programme. Trinity Access partners with schools in areas of concentrated disadvantage and the Three Ireland Teacher Fellows will work with these schools to enhance the teaching of maths in the Junior Cycle and develop a suite of initiatives that will provide the supports for the teaching and learning of mathematics and computing across the Senior Cycle years. Each Trinity Access Teacher Fellowship will be valued at €75,000 per year for 3 years, which started in 2022.

Our bonus gap is influenced by similar demographical factors as our pay gap. Our gender pay gap impacts our bonus gap as our company bonus is a percentage of base pay. Unlike the 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. Being based on actual amounts doesn't account for part-time working which materially influences our bonus gap, with more women working in part-time roles.

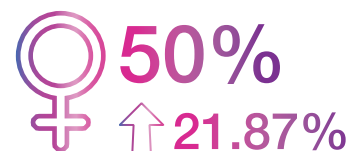
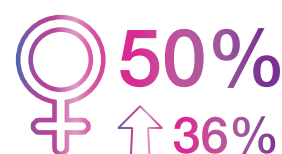
What are we doing about it?

Understanding our gender pay gap allows us to recognise where we can make improvements. We've identified key areas we believe will contribute to closing the pay gap and within these areas of focus, initiatives include:

1. Achieve our functional gender representation targets

A primary driver for our pay gap continues to be our demographic imbalance. To help address this – we have set out clear targets. Our commitment is to:

- Increase the number of people who identify as female, in senior leadership roles from 36% to 50% by 2030. Since setting this target in 2022, we have seen an increase of 2%.
- Increase the number of people who identify as female within specialised roles from 21.87% to 50%. Since setting this target in 2022, we have seen an increase of 6%.



2. Ensure that Three Ireland is a place where those who identify as women can grow, develop, and enhance their careers.

We will achieve this by:

- Continuing our successful STEM scholarship partnership to support women's careers. Through our partnership with Trinity, we are creating the conditions for greater diversity and inclusion in the student population studying STEM undergraduate degree programmes.
- Build on our work with diversity partners including Irish Centre for Diversity to ensure we remain recognised as an employer embedding DIB best practice across our business. Three Ireland has been awarded the Gold Investors in Diversity EDI Mark (2021-2023).
- Continue to design inclusive employee offerings in consultation with our diversity, inclusion and belonging steering committee and employee forum groups to ensure it supports our diverse needs of our employees



- Continually review our interview processes to minimise space for bias. This year, we introduced gender decoding job specifications, anonymized CV screening, and held unconscious bias training sessions for hiring managers. We also track gender balance from application stage throughout the recruitment process and actively source candidates to meet 50/50 split where possible.



3. Support our female employees

We want to continue to make Three a place where women can grow, develop & enhance their careers.

- We will continue to build and evolve our mentoring programme, the Mentorship Collective, and our leadership development programmes to support women attaining leadership roles. This year, we launched our bespoke retail career development programme, the Aspiring Managers Programme, designed to support retail employee's progression to future management roles.



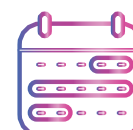
- We will continue to build on our employee offerings to support women's wellbeing and key life moments. This year we launched several new supports for women and parents including fertility treatment leave, pregnancy loss leave, enhanced our paternity leave, and launched our menopause proposition with Peppy. Peppy is a digital health app that supports menopause, fertility, both men and women's health and more with real health experts' advice and learnings.



- We will continue to enhance and embed our hybrid and flexible ways of working to support all employees who need this structure to manage life outside work.



- We will focus on our leave and absence strategy through the lens of supporting life moments.



4. Governance & Measurement

To ensure we improve on our work to date and progress planned initiatives we need robust governance and measurement structures in place. We will do this by:

- Continuing to report on the gender balance across the employee life cycle - including new hires, progression, development, and engagement.
- Meeting quarterly with our Remuneration Committee, which allows us to track our pay, recruitment and promotions decisions through a diversity lens, helping us make more informed decisions going forward.
- Continue to embed equity principles in our recruitment process, promotion and change governance.
- Deliver our Inclusion & Belonging Strategy action plan working in collaboration with our DIB Committee, Recruitment, Talent and Development and HR teams, and senior and executive leadership teams.

