



Sustainable Connections

**Three UK's
Sustainability Strategy**

July 2023



Contents

- 3** CEO message
- 4** Strategy Development
- 5** Our Sustainability Framework
- 6** Our Planet
- 8** Our People
- 9** Our Business
- 11** Our Targets





CEO message

I'm excited to share Three UK's Sustainability Strategy with you. Our strategy supports our Group Telecoms Sustainability Strategy and aligns with our Group Sustainability Framework and the United Nations Sustainable Development Goals.

We believe in responsibly managing our business to ensure that we make a positive social and environmental contribution, while also improving and providing a fast, reliable network.

This is our first core Sustainability Strategy, but it's not the beginning of our sustainability journey. We have several initiatives across the business focused on improving our environmental footprint or supporting local communities. The Strategy will bring our work together under the Sustainability banner, to monitor and maximise its impact.

Our commitment to managing our environmental footprint, supporting customers in sustainable choices, investing in our people, and supporting digitally excluded communities will ensure that we play our part.

Achieving our targets will require working together with internal and external stakeholders, Government, regulators, customers, suppliers, partners, local communities and civil society organisations. We look forward to working with you all to make these changes for the better.

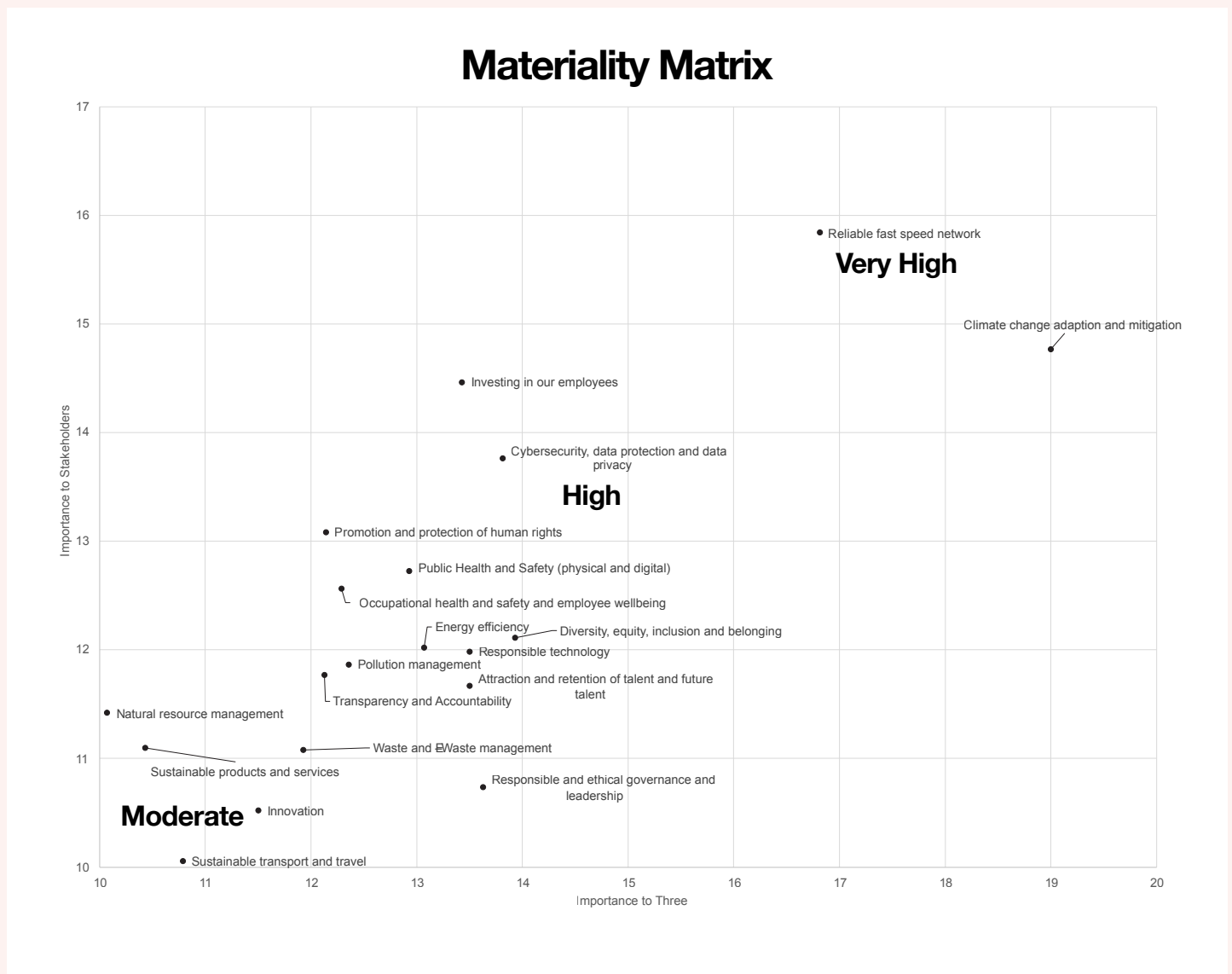
Robert Finnegan,
Chief Executive Officer

Strategy Development

In 2022, we worked across the business to develop targets for our strategy goals. Our goals are aligned to the CK Hutchison Group Telecom (CKHGT) Sustainability Strategy¹, which supports the CK Hutchison Sustainability Framework² (page 2).

When developing our strategy targets, we analysed: business priorities, corporate sustainability best practice, leading industry standards, and the UN Sustainable Development Goals³, to identify areas where we could make the most impact.

We also carried out a materiality assessment, asking internal and external stakeholders which sustainability topics they felt were important for us to prioritise. Those topics that were seen as most important for stakeholders and also a business priority were identified as being our material topics. You can see the outcome below in our materiality matrix



¹ [CKHGT Sustainability Strategy](#)

² [CKHH Sustainability Framework](#)

³ [UN Sustainable Development Goals](#)

Our Sustainability Framework

Our Vision

Three is committed to building a better connected world to enable a more sustainable and inclusive future.

Our Pillars

| Our Planet | | Our People | Our Business | |
|-------------------------------|----------------------------|-----------------------------|-----------------------------------|----------------------------------------|
| Our Goals | | | | |
| Take action on climate change | Promote a circular economy | Create great places to work | Create a thriving digital economy | Operate responsibly and with integrity |

Our Sustainable Enablers

| | | | | |
|---------------------|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| Emissions Reduction | Circular Network Circular Devices Circular Products | Diversity, Inclusion & Belonging Learning & Development Culture of Wellbeing Charity Partnerships | Better Connectivity Digital Inclusion Corporate Citizenship | Responsible & Ethical Governance Information Security Sustainable Supply Chain |
|---------------------|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|





Our Planet

Take Action on Climate Change

The development of our sustainability strategy took place against the backdrop of ever-increasing global temperatures⁴ and indisputable evidence of the link between human activity and climate-change⁵.

In 2022, the UK experienced its hottest year on record⁶, including unprecedented summer heatwaves, and caused a marked increase in the number of wildfires⁷. To play our part in minimising the impacts of climate change, it's crucial that we actively manage our carbon footprint.

Since 2021, we've been measuring and monitoring our emissions to identify improvement opportunities. To date, these include: energy reduction measures, such as the installation of a smart cooling system in our data centres; and a focus on maintaining high levels of renewable electricity.

In 2022, CK Hutchison Group Telecoms (CKHGT) set science-based targets aligned to a 1.5 degree pathway, verified by the Science-Based Targets initiative⁸. The Group targets are to reduce 50% of absolute Scope 1 and 2 emissions (i.e direct emissions) by 2030 against a 2020 baseline, and to reduce 42% of absolute Scope 3 emissions (indirect emissions) by 2030. CKHGT also has a target to be net-zero in its own operations by 2040 and has committed to setting a long-term net-zero target validated by the Science-Based Targets initiative.

Three UK's emissions are included in the 2020 footprint, and we're currently developing a detailed emissions reduction strategy for 2030 across all scopes to support the delivery of the Group Targets.

Our Sustainability Strategy

Will help to achieve this by building on our work to date to lower our own direct emissions. Our plans include a sustainable travel programme, and we will expand our focus to increase supply chain engagement.

We'll also support our employees to lower their emissions, including offering a tax-effective electric vehicle leasing programme to enable them to transition to low or zero emissions driving.



⁴ [World of Change: Global Temperatures \(nasa.gov\)](https://www.nasa.gov)

⁵ [Climate change: a threat to human wellbeing and health of the planet. Taking action now can secure our future — IPCC](https://www.ipcc.ch)

⁶ [Climate change drives UK's first year over 10°C - Met Office](https://www.metoffice.gov.uk)

⁷ [UK wildfire numbers more than triple in 2022 so far \(internationalfiresafetyjournal.com\)](https://www.internationalfiresafetyjournal.com)

⁸ [Companies taking action - Science Based Targets](https://sciencebasedtargets.com)



Our Planet

Promote a Circular Economy

A circular economy⁹ focuses on eliminating waste in product design and extending the useful lifetime of a product and its components. It aims to maximise both the elements within a product¹⁰ and the embodied energy. Circular economy models include: sharing, leasing, reusing, repairing, refurbishing, and recycling.



In the UK, we have our existing Three Recycle¹¹ trade-in programme and Reconnected programme¹². We already collect and redistribute phones to communities in need across the UK, focusing on the retrieval of mobile phones to extend the lifecycle of a phone and reduce e-waste.

We aim to expand both programmes. We'll also continue working with our suppliers to identify sustainable products and accessories to include in our range. Finally, we'll focus on responsibly managing our network waste equipment.

Our Sustainability Strategy

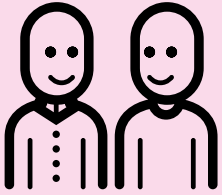
Will focus on offering circular economy products and services to our customers over the lifetime of the Sustainability Strategy.

⁹[What is a circular economy? | Ellen MacArthur Foundation](#)

¹⁰[Discover your mobile phone is powered by precious metals and minerals](#)

¹¹[Three Recycle](#)

¹²[Three Reconnected](#)



Our People

Create Great Places to Work

We recognise that our people are our greatest asset. In fact two of our core values centre on how we work together; ‘We appreciate each other’ and ‘We work as one team’. We also recognise that employees have different flexibility, development, and engagement needs¹³ in a post-pandemic world and we are constantly refining our employee propositions to match these.

We know the value of investing in our people, so we’re delivering our development initiatives in many new and exciting digital ways. We’re also using insight from our employee surveys and from sponsors across the business to enhance our comprehensive development programme, catered to our people on an individual level.

We also recognise the importance of a diverse workforce that reflects society and the positive impact that this has on employee culture and business performance.¹⁴ At Three, we want our people to feel comfortable being their authentic selves at work. We believe that an inclusive culture underpinned by respect is the foundation of a diverse organisation. Reflecting this, in 2022 Three UK was recognised as Diversity Steering Group of the Year at the FREDIE Awards¹⁵ and we are proud to have been included on their 100 best places to work list. We’ll continue to place diversity and inclusion to the forefront of our agenda to further embed them across our culture. Providing this kind of working environment for everyone is a long-term commitment that we’re excited to make.

Finally, we understand the dual benefit of employee volunteering and fundraising, to both Three UK and our charity partners¹⁶. We identify employee involvement opportunities where possible in order to broaden and deepen our societal impact.

Our Sustainability Strategy

Will focus on increasing employee engagement with our learning and development offering and ensuring that our digital programmes are accessible to all.



**Proud to be one of
The Times Top 50
Employers for
Gender Equality
2023**



In 2023, Three UK was recognised as one of

**The Times Top 50
Employers for Gender
Equality 2023**

for our commitment to addressing gender inequalities in the workplace¹⁷. This is a big step forward for Three and recognition of our continued efforts and support in driving the agenda forward for Gender Equality.

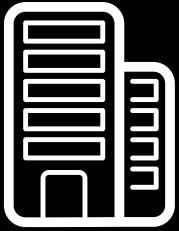
¹³ [What Your Future Employees Want Most \(hbr.org\)](https://hbr.org/2019/01/what-your-future-employees-want-most/)

¹⁴ [How diversity, equity, and inclusion \(DE&I\) matter | McKinsey](https://www.mckinsey.com/industries/technology-digital-media-telecommunications/our-insights/how-diversity-equity-and-inclusion-de-i-matter)

¹⁵ [2022 Fredie Awards | National Centre for Diversity](https://www.fredieawards.com/)

¹⁶ [The business case for volunteering | Business in the Community \(bitcni.org.uk\)](https://www.bitcni.org.uk/)

¹⁷ [Three UK named in The Times Top 50 Employers for Gender Equality 2023](https://www.thetimes.com/uk/news/business/three-uk-named-in-the-times-top-50-employers-for-gender-equality-2023)



Our Business

Create a thriving digital economy



Our 'Create a Thriving Digital Economy' Goal relates to the delivery of our core business offering - a secure and reliable network.

In 2003, Three launched as the UK's first 3G only network. Today, Three is a network that connects people to people, people to things, and things to things – with 9.5 million customers.

Three launched 5G in August 2019 and holds more of the UK's leading 5G spectrum than the rest of the industry combined. Three is the only operator able to meet the International Telecoms Union (ITU) 2020 standard for full 5G services.

Our Sustainability Strategy

Will continue to invest in upgrading our network to ensure that we offer customers the best experience and are currently rolling out a £2 billion network upgrade¹⁸. This network investment will result in more 5G sites across the UK. As our 5G presence grows, we will look to retire our 3G network, removing unnecessary equipment from sites to focus on faster speeds.

At Three UK, we also want to ensure that people across the country can engage in the digital economy.

We realise the importance of digital upskilling alongside digital access. 21% of UK adults - roughly 11 million people - do not have the Essential Digital Skills needed for day-to-day life¹⁹. Digital inclusion is a core focus within our Sustainability Strategy.

Reconnected²⁰

Our Reconnected programme supports three charities (Lets Localise²¹, Business in the Community UK²², and the Good Things Foundation²³) with handsets that are donated to us from customers alongside 6 months free data. We will build on the success of this programme to date, to reach even more people across the UK.

Discovery²⁴

Our Discovery programme focuses on the delivery of digital skills, and we will continue this skill-share as part of our digital inclusion focus.

¹⁸ [Three UK Network and IT update - Three Media Centre](#)

¹⁹ [Banking with us, whats happening?](#)

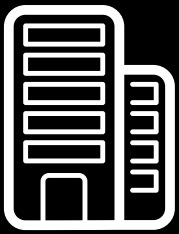
²⁰ [Three Reconnected](#)

²¹ [Supporting Schools, Students and Communities - LetsLocalise](#)

²² [Business in the Community - Business in the Community \(bitc.org.uk\)](#)

²³ [Good Things Foundation - Improving lives through digital](#)

²⁴ [Discovery Programme](#)



Our Business

Operate responsibly and with integrity

At Three, good governance, transparency and accountability are key facets of our business, and ‘we take responsibility’ is one of our core values.



We endeavour to ensure that we have the correct systems, policies and procedures in place to manage the business in a responsible and ethical manner, and to support and protect our colleagues, customers and stakeholders.



As a technology company, cybersecurity is of utmost importance to us. We make sure our Network, IT and Services are secure, reliable and high performing for our customers to enjoy their experience.

‘We focus on the customer’ is another of our core values. We always strive to deliver the highest standards of service possible. We want to give customers an exemplary service, so we’re always looking for ways to improve. Our customers and stakeholders put their trust in us to protect their data. We have stringent data privacy policies and procedures in place to ensure that this trust is upheld.

Our enterprise risk management system allows us to identify key risks and opportunities across the business and develop mitigating actions to ensure that we deliver on our objectives. As we prepare for Task force on Climate-Related Financial Disclosure (TCFD)²⁵ reporting in 2024, we’ll focus on climate scenario analysis and the associated climate risks and opportunities for Three UK.

In 2022, we updated our supplier code of conduct and launched a partnership with Ecovadis²⁶ to gain transparency across our supply chain and better identify risks and opportunities. We’ll continue this programme of work across our supply chain.

²⁵<https://www.fsb-tcfid.org/>

²⁶Ecovadis



Our Sustainability Strategy

Will focus on increasing sustainability awareness within our business to help embed it in our culture and decision making. We will also pursue external third-party health and safety and environmental accreditations to drive excellence.



Our Targets



Emissions Reduction

Develop and implement local emissions-reduction strategy to support the delivery of the CKHGT Science-Based Targets



Electric Vehicles

Support our employees to lower their carbon emissions: Launch EV employee proposition and target a 5% uptake by 2026



Business Travel

Implement sustainable travel programme: By 2030, achieve a 25% reduction in business travel emissions per FTE



Circular Devices

By 2030, retrieve at least 30,000 devices via our Reconnected scheme



Circular Network

By the end of 2025 Ensure that 100% of decommissioned network equipment is reused or responsibly recycled



Circular Products

- Ensure that 100% of our new Three UK consumer SIMs are Eco-SIMs by the end of 2023
- Introduce eSIM offering by the end of 2023



Diversity, Inclusion & Belonging

By 2030 achieve a 50/50 gender balance in leadership



Digital Inclusion

By 2030, reach approximately 1.7 million people through programmes that focus on digital skills and inclusion



Sustainable Procurement

Complete sustainability assessment across our supply chain to cover 95% of our spend by the end of 2023



Sustainability Awareness

Introduce mandatory sustainability training for Three UK employees and achieve a 95% compliance target by end of 2023

