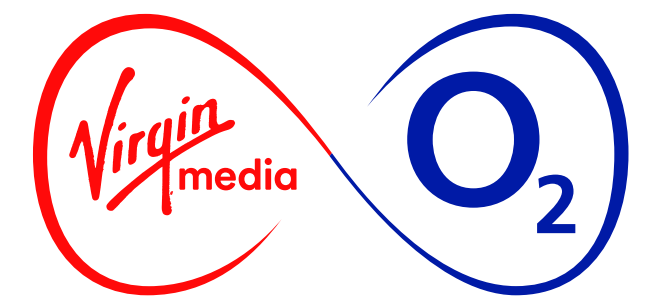


Virgin Media O2

# Modern Slavery Statement

In this statement unless the context otherwise requires, the term "we," "our" and "Virgin Media O2" refer to VMED O2 UK Limited and its subsidiaries.

June 2024



# Introduction

This statement has been published in accordance with Section 54 of the Modern Slavery Act 2015. It sets out the steps taken by VMED O2 UK Limited and its subsidiaries (Virgin Media O2) for the financial year ending 31st December 2023 to prevent modern slavery and human trafficking in its own business operations and supply chains.

This is the third statement produced by Virgin Media O2, a business formed in June 2021 when the Virgin Media and O2 (including giffgaff) businesses were brought together as a joint venture owned by Liberty Global and Telefonica SA.

## 2023 summary

We operate solely in the UK, but we are reliant on a global supply chain. In 2023, our supply chain remained the primary risk area with respect to forced labour and we continued to operate policies designed to minimise this risk, conducted risk-based due diligence and found no instances of forced labour.

## Key focus areas in 2023 included:

- ensuring Virgin Media O2 visibility of recent due diligence addressing suppliers which provide branded solutions.
- running modern slavery risk management reviews of suppliers operating in risk sectors.
- developing a new, enhanced Virgin Media O2 Supplier Code of Conduct that has replaced the previous codes we used when purchasing for Virgin Media and O2 brands, which reflects sector best practice with respect to the management of forced labour risk.
- monitoring the results of sector audits addressing suppliers we share with other operators.



# About our business

Based in the UK, we are a customer-first organisation that brings a range of connectivity services together in one place with a mission to upgrade the UK

A joint venture of Liberty Global and Telefónica, Virgin Media O2 combines the UK's largest mobile network and the largest gigabit broadband network. We are an integrated communications provider of mobile, broadband internet, video and fixed-line telephony to residential customers and organisations in the UK. Our mobile network is operated under the O2 brand and our fixed-line network under the Virgin Media brand.

In 2023, our Virgin Media O2 businesses collectively supported some 44.9 million mobile connections and 34% of UK fixed lines. To underpin our product and service delivery, we purchased from a global supply chain of around 1,900 direct suppliers, with a total annual spend of approximately £8.1bn.

## Products and services

Consumers	Business & wholesale customers
• Broadband	• Converged fixed and mobile connectivity
• TV	• Mobility
• Home phone	• Security
• Mobile connectivity	• Cloud
• Devices	• Data and Analytics
• Converged bundles	• Fibre to the home (FTTH) build for nexfibre

- We have the largest gigabit fixed network in the UK, with an expanding infrastructure through the rollout of nexfibre FTTH. Our entire fixed network offers gigabit speeds, as nexfibre FTTH grows our footprint to 17 million homes as of 31 December 2023.
- We are the largest mobile operator in the UK, serving 44.9 million connections. Our 5G network covers over 50% of the UK outdoor population and we service different market segments through our own brands and mobile virtual network operator (MVNO) partners.
- We have a diverse and experienced UK workforce of 15,700 people employed by the family of Virgin Media O2 businesses addressed by this statement, i.e.
  - giffgaff Limited
  - NTL Glasgow
  - NTL Kirklees
  - Telefonica UK Limited
  - Upp Corporation Limited
  - Virgin Media Business Limited
  - Virgin Media Limited

- Virgin Media Finance plc
- Virgin Media Mobile Finance Limited
- Virgin Media Intermediary Purchaser Limited
- Virgin Media Investment Holdings Limited
- Virgin Media Senior Investments Limited
- Virgin Media Secured Finance plc
- Virgin Media SFA Finance Limited
- Virgin Media Operations Limited
- Virgin Media Payments Limited
- Virgin Media Wholesale Limited
- Virgin Mobile Telecoms Limited
- VMED O2 UK Limited
- VMED O2 UK Holdco 4 Limited
- VMED O2 UK Holdco 5 Limited
- VMED O2 UK Financing I plc
- VMED O2 UK Holdings Limited

## Our sustainability strategy

We are committed to using our scale and reach to create an inclusive, green and connected future for our customers and the communities in which we operate. Through our Better Connections Plan, we seek to:

- equip 6 million people with digital skills and connect one million digitally excluded people by 2025;
- achieve net zero carbon emissions across our value chain by 2040 and enable 10 million circular actions for consumers to take by 2025.

Our sustainability strategy and 2023 performance against our strategic priorities are outlined in our Annual Report. At the heart of our plan is a commitment to make sure our business operates in a sustainable and ethical way – with all our people, partners and suppliers playing a part. Building a sustainable supply chain is critical to upholding an ethical business, so we establish clear sustainability expectations of our suppliers, integrating environmental, social and governance (ESG) goals and standards into our procurement processes.

# Managing modern slavery risks

## Training and awareness

The first step to improving how we manage modern slavery within our operations is making sure that our employees understand the potential risks and how to respond to them. To raise awareness of modern slavery and labour exploitation, we:

- Developed employee training explaining what forced labour is, why it matters, and how to recognise the signs and report any concerns. Employees also undergo mandatory annual training on our Virgin Media Code of Conduct, which outlines our business principles and values. In 2023, this was completed by 99% of our workforce.
- Provided guidance on our supplier portal about the management of modern slavery risks and how to implement effective controls.

## Key policies

We have a range of policies both for employees and suppliers that minimise the risk of forced labour within our operations and supply chain.

### Internal

Our people policies are designed to make sure everyone feels valued and respected.

Our Virgin Media O2 Code of Conduct policy is the overarching framework that sets out the behaviours we expect of our employees, guided by our company policies.

We have a dedicated 'Speak Up' helpline, and associated policies, to support employees who wish to raise concerns relating to discrimination, bullying and harassment, health and safety, and fraud.

Our policies provide flexibility and time away from work when needed, recognising the importance of work-life balance. We recently introduced a new Flexible Working Policy across the business, together with enhanced guidance for both employees and managers to create flexible teams.

### Supplier-facing

We've previously operated two policies aimed at reducing the threat of forced labour within our supply chains: the [Telefónica Supply Chain Sustainability Policy](#) and the [Virgin Media Supplier Code of Conduct](#). These legacy policies have now been consolidated into a single code of conduct - the [Virgin Media O2 Supplier Code of Conduct](#), which specifically prohibits all types of forced labour.

The new code is effective for all Virgin Media O2 procurement processes. It requires suppliers to implement strong risk management measures to effectively manage forced labour risks and to put in place best practice measures developed within the Joint Alliance CSR (JAC) sector initiative.



# Managing modern slavery risks (cont.)

## Internal forced labour risks

We are committed to conducting business with integrity and fairness and we uphold a zero-tolerance approach towards forced labour within our operations. We expect the highest levels of ethical conduct in order to safeguard the rights and well-being of all our people. We view that there is no risk of forced labour within Virgin Media O2 operations.

Creating a welcoming, inclusive culture is critical to helping our employees feel safe and empowered at work. Our four pillars of 'Belonging, Clarity, Development and Recognition' closely align with our commitment to Diversity, Equity and Inclusion (DE&I). We continue to champion our DE&I agenda through a wide range of activities:

- **Feedback channels** for our people to share their views on DE&I. We have a regular employee engagement survey 'Your Say', a dedicated annual DE&I Survey (Vibe) and six DE&I networks which all have Executive Committee and senior leader sponsors. Over half of our employees are members of a network and they play a crucial role in raising awareness of the most important issues that affect their members.

- **'Ally Up' workshops.** In 2023, we launched 'Ally Up', our inclusion initiative focused on DE&I topics like anti-racism. Through dedicated workshops, we aim to educate and empower all employees.

- **A zero-tolerance approach to all forms of discrimination.**

We reinforced our zero-tolerance stance on abuse to protect our customer-facing staff. This included a pilot in 2023 in our retail stores aimed at addressing instances of discriminatory behaviour by customers observed by our store colleagues and providing enhanced support for our people through training and adequate aftercare. We also implemented a streamlined reporting process and support system to safeguard their well-being.

- **Gender and ethnicity pay gaps.** We report pay and ethnicity gaps annually and have made improvements in our pay gaps this year.

- **Inclusive Leader programme.** Designed to support senior leadership teams improve their understanding of inclusion, apply their knowledge, and measure their impact, the Inclusive Leader programme will be rolled out to all people leaders throughout the year.

- **Inclusive recruitment.**

We continue to enhance the way we recruit by investing in new systems with better data insights that drive action to increase the diversity of our talent. In 2023, we implemented a new recruitment system that provides candidates with a more inclusive and simplified approach to applying for roles. We're also reviewing our assessment and interview processes to remove any barriers and eliminate bias. We have removed the requirement to provide a CV in almost 50% of our hiring outcomes, and we use independent assessment observers to support managers when interviewing to ensure more inclusive decision making.

## Managing supply chain forced labour risks

Our UK-based business buys a diverse range of products and services from a global supply chain which we view as our only significant exposure to forced labour risk. Purchasing is managed by a dedicated Virgin Media O2 Procurement team supported by procurement services from our parent shareholders Liberty Global and Telefónica SA.

The Virgin Media O2 Procurement team buys under the brands of our major operating business and contractually commits all suppliers to a single supplier-facing code of conduct, developed in 2023, that sets our revised and updated supply chain sustainability standards in clear and uncompromising language. All forms of forced labour are prohibited and the practices we expect supplier to operate to minimise the risk of forced labour are clearly detailed.

You can find our Supplier code of conduct [here](#), along with all our other supplier-facing policies and details of:

- **how to become a VMO2 supplier;**
- **how and what we buy;**
- **what we consider when selecting a supplier;**
- **our supplier facing policies and terms;**
- **a link to our Speak Up channel;**
- **guidance for suppliers on topics we view as important like managing modern slavery risks.**

# Managing modern slavery risks (cont.)

## 2023 due diligence approaches and outcomes

Even though our operations are confined to the UK, catering to both business and consumer needs, our supply chains are global as we buy a diverse array of products and services to support our business.

We centralise our procurement efforts through a unified team that buys for all Virgin Media O2 brands and sources both directly and via procurement services operated by Liberty Global and Telefónica SA. These entities, like Virgin Media O2, strictly prohibit forced labour and trafficking within their operations and supply chains. They enforce this prohibition through stringent policies reinforced by risk-oriented due diligence practices.

In 2023, Virgin Media O2 spent approximately £8.1 billion procuring goods and services from roughly 1,900 suppliers. While our primary suppliers are predominantly UK-based, our extended supplier network is global and includes facilities in Asia, Europe, the USA, and South Africa. We focus our efforts on mitigating forced labour risks in our supply chain, since this is where the highest risk lies.

Our approach involves leveraging sector-wide initiatives, collaborating with our parent organisations, and conducting our own risk-based due diligence. Our strategies for managing forced labour risks are integrated into our broader supply chain sustainability management activity, such as:

1. Embedding stringent requirements within our procurement processes, enforced through our new Virgin Media Supplier Code of Conduct which prohibits all forms of forced labour and compels suppliers to adopt robust risk management practices to address this issue effectively.
2. Assessing the suitability of bidding suppliers to meet our sustainability criteria in targeted tenders, considering factors like the nature of their operations and geographical presence, with a particular emphasis on their approach to modern slavery risk mitigation. We actively engage with suppliers to address any identified shortcomings.

3. Identifying suppliers deemed to pose heightened sustainability risks and requiring them to supply EcoVadis or Integrity Next scorecards, providing insight into their overall sustainability practices.

4. Conducting sustainability reviews in contract with selected suppliers, with a specific focus on modern slavery risk management.

5. Undertaking audits of selected suppliers either directly, through industry initiatives, or by mandating independent third-party audits, ensuring transparency and accountability.

6. Targeting suppliers operating in sectors with elevated forced labour risks and conducting specialised Modern Slavery Risk Assessments. These evaluations scrutinize suppliers' policies and processes to ensure they unequivocally prohibit forced labour and drive risk-based due diligence practices across their own supply chains.

Our Modern Slavery Risk Assessments review the policies and processes used by our suppliers to manage modern slavery risks ensuring they:

- ✓ Have published a modern slavery statement aligned with the Modern Slavery Act.
- ✓ Operate appropriate internal policies and a supplier code of conduct that addresses modern slavery and its enablers.
- ✓ Have a policy that prohibits forced labour and trafficking and requires compliance with the law.
- ✓ Maintain documented labour contracts and do not charge worker fees.
- ✓ Have established working hours controls and associated reporting that ensure working hours meet legal norms.
- ✓ Pay salaries aligned to legal norms and do not use fines as a disciplinary process.
- ✓ Do not require worker deposits, hold ID documentation or operate curfews.
- ✓ Have grievance and whistleblowing processes.
- ✓ Can identify their risk areas considering activity and location.
- ✓ Plan and implement due diligence in high-risk areas and drive improvements as needed.

# Managing modern slavery risks (cont.)

## Our 2023 activities included:

- Raising awareness and visibility of supply chain due diligence efforts to assess facilities that provide branded solutions, either by purchasing sustainability audits from expert providers or by seeking visibility of independent recent facility audits.
- Conducting modern slavery risk management reviews with a sample of UK-based suppliers operating in the at risk construction sector.
- Monitoring the audit results of the Joint Alliance for CSR (JAC) sector initiative. In 2023 there were around 123 audits of common suppliers.
- Running sustainability reviews with selected suppliers that included an examination of their forced labour management policy and process.
- Developing a new Virgin Media O2 Supplier Code of Conduct that has now replaced the previous codes used by Virgin Media O2 operating brands and enhancing this new code to reflect sector best practice developed with the JAC community on forced labour.

- Establishing a supplier-facing web portal where we have published guidance for our suppliers on forced labour risk management.

## Outcomes & KPIs

- None of our 2023 due diligence activities identified any instances of forced labour in 2023 and no concerns were raised via the various whistle blowing channels we have access to.
- 99% of our employees received training in our code of conduct.

## Collaboration

- We are an affiliate member of JAC via our Parent shareholders Telefónica SA and Liberty Global. JAC, the Joint Alliance for CSR, is a non-profit association of telecoms operators aiming to verify, assess and apply Corporate Social Responsibility (CSR) practices across the manufacturing sites of its key suppliers. JAC has a Board composed of representatives from our member

companies to oversee the initiative's strategy and direction. JAC members share resources and best practice to develop and implement long-term CSR requirements across different tiers of the ICT supply chain globally, while ensuring that audit findings are shared and corrective actions plans implemented, where necessary, to raise standards.

- We share supply chain ESG insight and information with our Parent shareholders Telefonica SA and Liberty Global.



# Whistleblowing channels

We monitor Telefónica and Liberty Global whistleblowing channels for any reports that relate to our common suppliers and the Virgin Media O2 Speak Up confidential reporting channel, through which suppliers, their employees, or any other interested parties can report any concern they have regarding Virgin Media O2 operations or supply chains. In 2023, we received no indications of concerns relating to forced labour or trafficking via any of these channels.

We encourage anyone with concerns relating to Virgin Media O2 and forced labour issues to use the Virgin Media O2 Speak Up to report any concern (anonymously if you wish).

For more information, contact us at

<https://speakupvirginmediao2.co.uk>

We will handle any concerns raised in confidence and investigate all credible reports of potential compliance violations made in good faith. We prohibit any discrimination or retaliation against individuals who report suspected violations. All communications received are treated in accordance with the principles of respect and confidentiality.





# Conflict Minerals

Resources known as 'conflict minerals', such as tin, tantalum, tungsten and gold are minerals sourced from conflict-prone regions like the Democratic Republic of Congo (DRC) and its neighbouring areas. They are identified as 'conflict minerals' if their extraction may have directly or indirectly benefited or funded armed groups, thereby contributing to human rights violations.

These minerals continue to pose a heightened risk of forced labour. While Virgin Media O2 does not directly engage with smelters or refiners, they are integrated into our extended supply chain. Consequently, we stipulate in our Supplier Code of Conduct that our suppliers must:

- operate policies and processes to assess and minimise the risk of conflict minerals in their supply chains;
- align with the Organisation of Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from conflict-affected and high-risk areas;
- if requested, complete and share the Conflict Minerals Reporting Template.

During sustainability reviews with suppliers, particular attention will be paid to their strategies for managing the risks associated with conflict minerals.

# Approvals

The boards of directors for the following companies have approved this statement:



They have all delegated authority to Lutz Schüler to sign this statement on their behalf.



Lutz Schüler

Chief Executive Officer Virgin Media O2

June 2024

- giffgaff Limited
- NTL Glasgow
- NTL Kirklees
- Telefonica UK Limited
- Upp Corporation Limited
- Virgin Media Business Limited
- Virgin Media Limited
- Virgin Media Finance plc
- Virgin Media Mobile Finance Limited
- Virgin Media Intermediary Purchaser Limited
- Virgin Media Investment Holdings Limited
- Virgin Media Senior Investments Limited
- Virgin Media Secured Finance plc
- Virgin Media SFA Finance Limited
- Virgin Media Operations Limited
- Virgin Media Payments Limited
- Virgin Media Wholesale Limited
- Virgin Mobile Telecoms Limited
- VMED O2 UK Limited
- VMED O2 UK Holdco 4 Limited
- VMED O2 UK Holdco 5 Limited
- VMED O2 UK Financing 1 plc
- VMED O2 UK Holdings Limited

