

Virgin Media O2

Modern Slavery Statement



In this statement, unless the context otherwise requires, the terms “we,” “our” and “VMED O2” refer to VMED O2 UK Limited and its subsidiaries.

June 2023

Introduction and scope

Virgin Media O2 is the joint venture created on 1 June 2021 which brought together the Virgin Media and O2 (including giffgaff) businesses in the UK.

This is Virgin Media O2's second Modern Slavery Statement. It is made in compliance with the 2015 Modern Slavery Act (MSA) and addresses the following Virgin Media O2 businesses:

- giffgaff Limited
- NTL Glasgow
- NTL Kirklees
- Telefonica UK Limited
- Virgin Media Business Limited
- Virgin Media Limited
- Virgin Media Mobile Finance Limited
- Virgin Media Intermediary Purchaser Limited
- Virgin Media Operations Limited
- Virgin Media Payments Limited
- Virgin Media Wholesale Limited
- Virgin Mobile Telecoms Limited
- VMED O2 UK Limited
- VMED O2 UK Holdings

We:

- **fully support the principles of the Modern Slavery Act**
- **prohibit modern slavery and its enablers within our operations and supply chains**
- **use our influence within the sector to combat modern slavery**

This statement describes the Virgin Media O2 business and the measures we have taken to minimise the risk of modern slavery within our operations and supply chains. It also states unequivocally our zero tolerance to any form of modern slavery and/or human trafficking. In the remainder of this statement, we refer to modern slavery and trafficking as Forced Labour.

During 2022, we operated a risk-based due diligence approach to the management of forced labour risks and encountered no instances of forced labour within our supply chains or internal operations.



About our business

Formed in June 2021, Virgin Media O2 is jointly owned by Liberty Global, a world leader in converged broadband, video and mobile communications services, and Telefónica SA, one of the largest telecommunications service providers in the world.

Virgin Media O2 brings together two established and successful brands, Virgin Media and O2. We are the largest mobile operator in the UK, serving 44.7 million connections; our 5G network covers over 1,600 towns and cities across the UK. In addition, we operate the largest gigabit fixed network, providing download speeds which average up to 1.1Gbps to 16.1 million homes. Across these networks we provide innovative and flexible services such as Refresh and Switch Up, WiFi Guarantee and our flagship converged offering, Volt, where we have now reached 1.3 million customers.

2022 was Virgin Media O2's first full year as a combined business and you can find details of our 2022 business activities and performance in the **VMED O2 UK Limited 2022 Annual Report**

At the end of 2022, we had around 17,100 employees operating out of 400 sites across the UK (including retail sites).



Managing modern slavery risk within our operations

Virgin Media O2 people policies make our business a sought after place to work, and we believe that there is a very low risk of forced labour within our operations.

We've put in place a range of policies to support our people both within work and when they need time away. In 2022 we started to align our people policies and practices, and this journey continues.

We launched our first ever combined Diversity, Equity and Inclusion strategy, 'All In', with ambitions to reach gender parity, increase representation of Global Majority Employees, make equity part of everything we do and put inclusion at the heart of how we do business.

People policies and processes

We are committed to operating with integrity and fairness. Our Executive Team has a zero-tolerance approach to bribery and corruption and our Antibribery and Corruption Policy sets out the expectations we have of our people across our business.

To support Virgin Media O2's zero tolerance approach to modern slavery and human trafficking in our operations and supply chain, we have put in place the necessary recruitment processes. We expect our recruitment partners to meet the disclosure requirements under the Modern Slavery Act 2015, follow our supplier codes of conduct, and undertake due diligence to ensure there is no modern slavery or human trafficking in their operations and supply chains.

During 2022, we launched a number of new policies to support our employees, including:

- an aligned policy approach to family friendly and carers' leave, offering enhanced leave and pay for our people under the new 'Welcoming a New Addition to the Family' and 'Dealing with the Unexpected' policies
- a new 'Trans healthcare benefit' which funds gender affirming surgery and gender identity support for any trans or non-binary employees at Virgin Media O2
- a cost of living support package for eligible employees
- our 'Take Five' Volunteering Policy, launched in March 2022, which gives employees five days paid leave per year to volunteer in their local community

Communication and training

To support our Virgin Media O2 Code of Conduct, we have further developed our mandatory compliance training programme to educate all our employees on the expectations of Virgin Media O2 as a business, and to uphold the principles and values that ensure we maintain the highest ethical and legal standards. It's about doing the right thing for us, our business and our customers. The new training programme launched in January 2023, with one bite-sized topic module being released per month (e.g. Code of Conduct; Security; Data Privacy; Diversity, Equity and Inclusion), so this year all employees are on the same training completion review cycle.

Modern slavery awareness training is available for all employees on our internal learning platforms and is mandatory for specific groups of supplier-facing employees, to help them identify modern slavery within our supply chains.



Supply chain modern slavery risk management activities

Although we operate solely within the UK, serving UK-based business and consumer customers, we buy from a global supply chain sourcing a diverse range of products and services to support our customers and the services we offer.

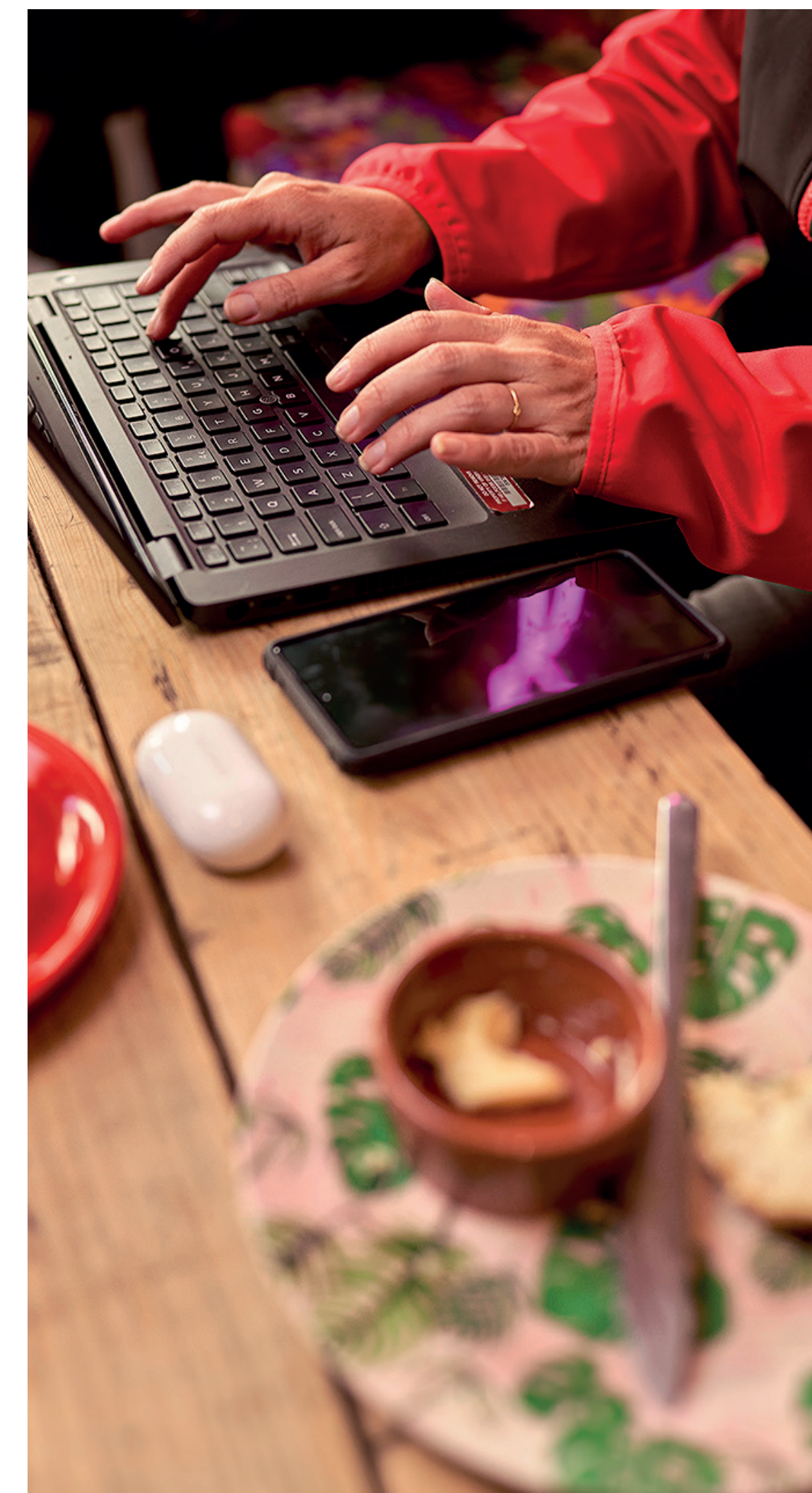
We have a single procurement team who buy under the brands of our operating businesses Virgin Media and O2. We also buy both locally and via our parent shareholders Liberty Global and Telefonica SA. Both are businesses that, like Virgin Media O2, prohibit any form of forced labour and/or trafficking in their operations and supply chains, and operate policies and supplier requirements designed to ensure that is the case, underpinning this prohibition with risk based due diligence.

In 2022, Virgin Media O2 spent around £6.5 billion procuring products and services from around 2,300 suppliers. Although our direct suppliers were in most cases UK-based businesses, our extended supply chain included suppliers with operations in Asia, Europe, the USA and South Africa. Our extended supply chain is very diverse and stretches across a global footprint.

It is in our extended supply chain where we believe the greatest potential for forced labour risk exists and

it's where we focus our main efforts to manage the issue. We seek to manage the risk by leveraging the activities of our sector, our parent shareholders and our own risk-based due diligence. We manage the risk of forced labour as an integrated aspect of our general supply chain sustainability management by:

1. integrating requirements into our procurement process that prohibit all forms of forced labour via the codes of conduct that we operate i.e. The Telefonica Supply Chain Sustainability Policy and the Virgin Media Supplier Code of Conduct. In 2023 we plan to replace these two codes with a new supplier code of conduct applicable to all Virgin Media O2 operating businesses. The new code will contain new requirements that do not just prohibit forced labour in all its forms but will also contractually commit our suppliers to robust forced labour risk management practices designed to build their capability to manage this risk
2. assessing the intent and capability of bidding suppliers to meet our sustainability requirements in selected tenders. We consider the nature of the activity and the geography and sector involved when selecting which suppliers to examine in greater depth, paying particular attention to their approach to modern slavery risk management. Where we identify weaknesses, we seek improvements
3. identifying suppliers that we view as having heightened sustainability risk and requiring them to supply either EcoVadis or Integrity Next scorecards. This allows us to have a view of the strength of their general sustainability management policy and process
4. running sustainability reviews with selected suppliers in contract reviews, including a focus on modern slavery risk management
5. auditing selected suppliers either directly, via sector initiatives or by requiring the suppliers to employ independent third parties to perform such audits and share the results with us
6. identifying suppliers operating in sectors recognised as having a heightened risk of forced labour and running specific modern slavery risk management reviews. These assess a supplier's policy and process for managing the risk of forced labour to ensure they prohibit forced labour and its enablers, and that they practice risk-based due diligence with their own suppliers.



Supply chain modern slavery risk management activities

In addition to our general supply chain due diligence, in 2022 we:

- ran training sessions for selected sustainability management employees
- worked with sector bodies to develop a sector position on forced labour and a call to action for common suppliers
- made available modern slavery training internally to Virgin Media O2 employees on how to recognise the signs or indicators of possible victims of forced labour

None of our 2022 activities identified any instances of forced labour; however we did identify possible enablers of forced labour which we have sought to correct.

Conflict minerals

'Conflict minerals', such as tin, tantalum, tungsten, and gold sourced from conflict regions like the Democratic Republic of Congo (DRC) and surrounding countries are known to fund conflict and can cause human rights violations. They remain a source of heightened forced labour risk. Virgin Media O2 still has no direct dealings with smelters or refiners. However, smelters and refiners are present in our extended supply chain. We therefore require that our suppliers:

- operate policies and processes to assess and minimise the risk of conflict minerals in their supply chains
- align with the 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 (from the Responsible Minerals Initiative), or similar, to enable transparency about the origin of minerals in our value chain

Our sustainability reviews with suppliers will look at their approach to the management of risk associated with conflict minerals.



Policies

We have two policies designed to minimise the risk of forced labour in our supply chains: the Telefonica Supply Chain Sustainability Policy and the Virgin Media Supplier Code of Conduct. These two policies will be replaced in 2023 by the Virgin Media O2 Supplier Code of Conduct which will both prohibit forced labour and its enablers and contractually commit suppliers to several practices designed to ensure they effectively manage forced labour risk.

This new code will require suppliers to:

- prohibit forced labour in their operations and supply chains
- prohibit workers' "deposits" or identity documents holding by the employer
- ensure employees are free to leave their jobs following legally established notice
- conduct risk-based due diligence to safeguard against the risk of forced labour in their operations and supply chains, and to support any similar Virgin Media O2 due diligence request (e.g. onsite audits, worker voice surveys)
- act to close any instance of, or risk of, forced labour identified by their own or Virgin Media O2 due diligence, relevant to their operations or supply chains
- operate a whistle blowing process open to their

employees and the public via which forced labour and other concerns can be raised

- provide training in identifying forced labour risks to their supplier-facing employees who may encounter instances of forced labour
- monitor reports of forced labour from NGOs and other credible sources relevant to their sector and regions of operations; investigate such allegations if their supply chains or operations are involved; and, act to close any instance or risk of forced labour found
- provide full transparency to Virgin Media O2, on request, of their activities relating to the management and investigation of forced labour risks, for example by maintaining and sharing a board-approved Modern Slavery Statement that describes how forced labour risks are managed.

The statement should detail:

- a) the supplier's organisation and supply chains (e.g. sectors and regions)
- b) the policies it operates to combat forced labour
- c) its due diligence processes addressing forced labour both for its operations and supply chains

- d) where in its operations and supply chain forced labour risk may be heightened, the measures it has taken to assess and manage that risk and the effectiveness of the measures taken
 - e) The training and capacity building about forced labour risks that is available to its staff
- This stronger and more detailed requirement set is designed to drive suppliers to adopt best practice when managing modern slavery risks and to have that practice underpinned by their senior management commitment to it.



Partnerships and collaborations

As a business with shareholder parents operating in the same sector, we continue to draw from the policies, affiliations and collaborations of our shareholders Liberty Global and Telefonica SA. Two that particularly relate to our management of the modern slavery risk are:

- **The United Nations Global Compact** – an international initiative that promotes the implementation of ten universal principles on human rights, labour, and environmental and anti-corruption standards. We are, through Telefonica, longstanding signatories of the UN Global Compact and we include its principles in our ethical code.
- **The Joint Audit Cooperation (JAC)**
– a sector initiative of telecommunications operators that have joined forces to verify, evaluate and develop the implementation of sustainability standards in our common suppliers. We participate in JAC as an affiliate of Telefonica and in 2022 actively took part in various working groups including the JAC Human Rights Working Group. We have developed, together with other members, a joint position on the management of forced labour.



Whistleblowing channels

We continue to monitor Telefonica and Liberty Global whistleblowing channels, which allow anyone to raise any issues relating to our Code of Conduct and policies including ethics, human rights, environment, privacy, health and safety or modern slavery.

In addition, in 2022 we launched the Virgin Media O2 Speak Up confidential reporting channel, through which suppliers, their employees, or indeed any other interested parties can report any concern they have regarding Virgin Media O2 operations or supply chains.

We would encourage anyone with concerns relating to Virgin Media O2 and forced labour issues to use this channel.

Virgin Media O2 will handle any concerns raised in confidence. We are committed to investigating all credible reports of potential compliance violations made in good faith and 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.

In 2022, we received no indications of concerns relating to forced labour or trafficking via external or internal channels.

To report a concern (anonymously if you wish), for more information, or if you just have a question, contact us via our Speak Up Channel:

<https://speakupvirginmediao2.co.uk>



Approvals

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

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- Virgin Mobile Telecoms Limited
- VMED O2 UK Limited

Lutz Schuler
Chief Executive Officer Virgin Media O2
Signed following board approvals in June 2022.

