

Stakeholder Interaction - S172(1) Statement

We understand the importance of regular constructive two-way discussions with our stakeholders on how we create value and the delivery of our strategy and success. This is balanced against the needs of the business as we face industry-wide and macroeconomic challenges.

This statement explains how the Board has acted in good faith in the interest of the shareholders, whilst having regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006. This includes our obligation to have regard to the long-term sustainability and our stakeholders when taking principal decisions of strategic importance which are significant to any of our key stakeholders.

In discharging our responsibilities a governance framework has been put in place which includes procedures to support the assessment of those matters necessary for us to make informed decisions in our delivery of the long-term success and sustainability of the Company and the Group as a whole.

The Company's key stakeholders are integral to the key stakeholders of the operating businesses in the Group. For administrative efficiencies, key stakeholder engagements are conducted at operational level led by members of the Executive Management Team as Executive Sponsors (**Executives**).

Details of how we have promoted the success of the Group are disclosed in the Divisional Overview section on page [19](#). Some examples of how we considered matters of concern to our key stakeholders including the outcomes are detailed below with further details in the Corporate Governance Report on page [95](#).

Customers

Our customer base comprises of both consumer and business customers. Further details of our customers segments are discussed in the Divisional Overview section of the Strategic Report on page [19](#).

Customer satisfaction is essential to our long-term success and putting our customers first is, and will always be, a foundational strategic priority for the organisation. Our large customer bases have broad needs and expectations, and the business remains increasingly focused on meeting and exceeding as many of them as possible as the household economic outlook continues to prove challenging.

Topic	How we engage and monitor	Outcomes
Championing and prioritising Customer Fairness. Outstanding connectivity at home and on the move. Suitable product options and flexibility in offerings.	<p>How we engage: We stay as close to our customers through an extensive primary insight calendar, ensuring we understand and meet their needs, by: Continually interacting with all customer types with different product holdings, at different lifecycle stages. Customer focus groups; to identify customer pain-points and make improvements.</p> <p>How we monitor: Analyse customer journeys through customer journey measurement framework. Customer insight from NPS, Social Media communities. Customer segmentation embedded across the organisation.</p>	<p>Free connectivity to people experiencing data poverty via the National Databank. We have committed over 60 million GB of O2 data to it and people can be given a free O2 PAYG sim card and up to 12 months of vouchers that provide 20GB a month of data, free calls and free texts. Financial support (discount or change of tariff to lower cost to help the stay connected) to any customer who inform us of the financial struggles.</p> <p>Products and Services launch: Essential broadband is our social tariff to provide low-cost broadband to customers in receipt of Universal Credit WiFi Max aim is to meet our key customer need of broadband reliability. UK fastest WiFi guarantee with speeds of 20Mbps in every room or £100 back. This includes updated Connect app to enable customer to monitor speeds and in-home connectivity. Stream is an entertainment service provided through a new, smaller and more sustainable set top box that works over WiFi and doesn't require cabling. A flexible 30-day contract with no minimum spend.</p>

People

Our people are core to the continuing success of our business and the wellbeing of our people is important to us. Further details of our People strategy can be found in the Our Employees section on page [50](#).

Topics	How we engage and monitor	Outcomes
Integrating as one team. Employee retention and commitment. Diversity, Equity and Inclusion. Wellbeing.	<p>How we engage: Quarterly live streams lead by the CEO and the Executives including Questions and Answers session.</p> <p>Workplace, an interactive social platform two-way communication.</p> <p>Executives tour across the country and corporate sites. The focus was to have a dialogue on the cost-of-living with employees.</p> <p>How we monitor: Pulse surveys with a wide range of questions to understand the views and perceptions of employees.</p>	Harmonised DE&I strategy “All in” focused on increasing DE&I awareness across the business. A family friend policy. One-off cost of living support package for employees earning £35,000 and below.

Suppliers

We rely on a number of partners for important aspects of our operations, in particular the provision of products and services to our customers. The Board and Executives recognise that effective management of suppliers is important to the business reputation and long-term success of the Group. Further details of our supplier relationship and engagement can be found on page [98](#) of the Corporate Governance Statement.

Topics	How we engage and monitor	Outcomes
Supply continuity and protecting service quality against a volatile geopolitical background. Alignment with our ESG strategy, decarbonisation goals and our supply chain sustainability standards. Regulatory compliance, in particular Telecoms Security Act.	<p>How we engage: Dialogue with selected suppliers to understand any exposure and impacts of the pandemic and the Ukraine conflict on their ability to deliver services to us and how any impact would be managed.</p> <p>How we monitor: Vendor Management Programmes with dedicated relationship leads.</p> <p>Formal reviews.</p> <p>Suppliers samples: to understand and address any gaps that may exist about the requirements of the Telecoms Security Act.</p>	We shared our ESG goals and the strategy expectation with our suppliers. Integrated ESG goals into our procurement process and established and implemented carbon reduction programmes for significant supply chain emission sources both at a product and supplier level. Despite an unusual year of disruptive events impacting the supply chain we have been able to successfully work with our supplier partners to adapt and have maintained supply and customers service quality.

Regulator

Our regulators are important to delivering on our purpose, a connectivity champion and provide services to our customers at affordable prices in a competitive market whilst taking into account the wider economic challenges impacting businesses and customers. Further details of our engagement with our regulators can be found on page 98 of the Corporate Governance Statement.

Topics	How we engage and monitor	How we are responding
Spectrum utilisation and opportunity. Future spectrum availability. Customer affordability.	<p>How we engage: Regular CEO roundtables, executive steering working groups. Monthly working groups on matters of that important to the delivery of our purpose.</p> <p>How we monitor: We responded to Ofcom's publication of spectrum roadmap and WRC-23 preparation as our position. Ofcom released reports on affordability and financial vulnerability which identified concerns in relation to broadband affordability and urged broadband providers to consider their payment management and disconnection processes.</p>	<p>Ofcom amended the 2.6GHz TDD spectrum licence to unrestricted use which would enable us to have more flexibility on the use.</p> <p>Ongoing discussion on the long-term sustainability of the mobile spectrum as our position, is that additional spectrum must be reserved for mobile use.</p> <p>We introduced another social tariff for broadband in November in addition to the social tariff introduced in 2021.</p>

Investors

Regular engagement with our shareholders, bondholders, banks, ratings agencies, sell-side analysts and industry analysts is important and we seek to embrace it as part of a two-way interaction in conjunction with our shareholders. We understand that it is important to promote the interests and remain committed in delivering value for them.

Topics	How we engage and monitor	Outcomes
<p>Deep-routed understanding of competitor dynamics and market position</p> <p>Improved quarterly reporting</p> <p>Expanding our 1:1 and conference audience interaction</p> <p>Building relationships with Ratings Agencies</p> <p>Increased focus on how the Annual Report can support the investor audience</p> <p>Regularly updating website (www.news.virginmediao2.co.uk)</p>	<p>How we engage</p> <p>Investor calls and correspondence with the Head of Investor Relations in conjunction with group meetings with management supported alongside our shareholder Investor Relations teams.</p> <p>How we monitor</p> <p>Following the merger a greater focus has been given through the employment of a dedicated Investor Relations (IR) team. Their focus is to build out the IR infrastructure, improve audience understanding and interaction of the Group, develop regular and more detailed understanding of the external view in addition to continued progression of the IR programme.</p>	<p>CEO attendance at shareholder earnings calls.</p> <p>Quarterly 1:1 Group management meetings in conjunction with shareholder IR teams.</p> <p>Virgin Media O2 IR to attend conferences with Shareholders at most effective opportunities.</p> <p>Further progression of IR strategy throughout 2023.</p>