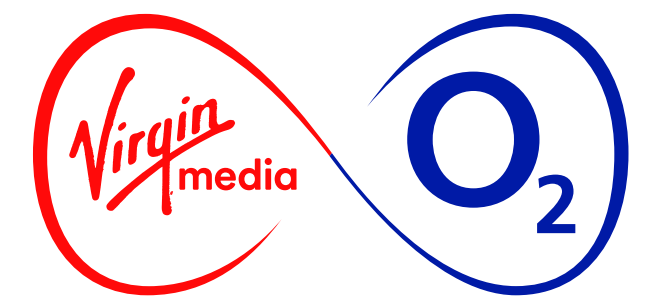


Virgin Media O2

Pay Gap Report

March 2024



Foreword

In June 2021, Virgin Media and O2 joined forces, creating one of the UK's largest businesses – Virgin Media O2. Now in 2024, we have set ourselves on a mission to inspire people to realise their potential and get more from life – and this is as true for our customers as it is for our employees.



At the heart of our mission lies our People Plan, and its four pillars of Belonging, Clarity, Development and Recognition, which also align closely with our commitment to Diversity Equity & Inclusion (DE&I). We want to implement initiatives that foster belonging, provide career clarity, develop skills, and ensure fair recognition, which are also strongly tied to how we reward and compensate our employees.

Since our merger, we've been dedicated to fostering a culture of DE&I. In March 2022, we launched "All In," our five-year DE&I strategy with ambitious goals to reflect the communities we serve. These goals include improving representation across gender and ethnicity by the end of 2027.

This document is our second combined pay gap report and highlights our continued commitment to transparency and accountability in our DE&I journey.

Looking back at 2023, we can take some pride from the small but positive steps we have made as the mean pay gap for both Gender (1.9%) and Ethnicity (9.7%) have both narrowed. So while this shows some progress, it also tells us there is still much for us to do by the time this report comes around again in 12 months' time and into the future.

This report dives deep into our pay gap data as well as demonstrating the actions we are taking as part of our ongoing commitment to creating a truly inclusive and equitable workplace. We believe everyone deserves to feel valued, respected, and empowered to enable them to thrive.



Philipp Wohland

Chief People and Transformation Officer
Virgin Media O2

Pay Gap reporting in the UK

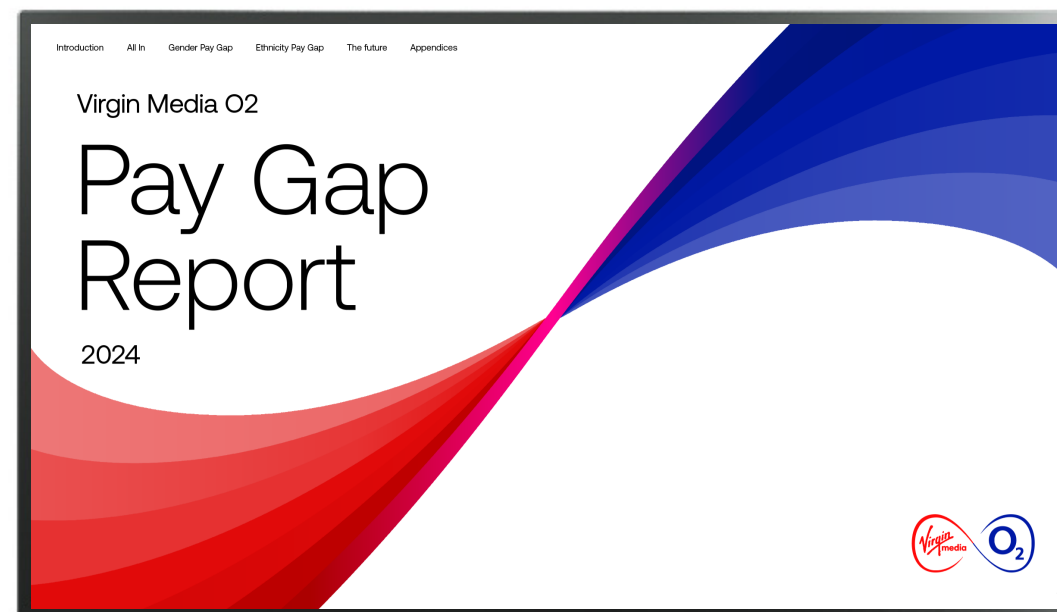
Since 2017, all UK companies with 250 employees or more have been required to publish their Gender Pay Gap data to demonstrate the difference in average pay between men and women in their employment.

When it comes to Ethnicity Pay Gap reporting, there is no legislative requirement on UK organisations to publish this yet. However, for the past four years O2 have published an Ethnicity Pay Gap on a voluntary basis.

This year marks the second time Virgin Media O2 is voluntarily disclosing its combined Ethnicity Pay Gap.

As a leading UK employer, we've chosen to publish this data because we recognise the importance of transparency in encouraging accountability and inspiring impactful, action-led change. It holds us accountable, helps us learn, and will lead to positive improvement.

We've chosen to use the same calculation methodology set out by the Government Equalities Office for our Gender Pay Gap reporting, our Ethnicity Pay Gap, bonus gap, and distribution across pay quartiles. However, unlike gender, our ethnicity disclosure rate is not yet at 100% (at the time of reporting this stood at 70%), meaning any individuals who had not disclosed their ethnicity by the snapshot date have been excluded from our calculations.



All In: Bringing our strategic commitments to life

Diversity • Equity • Inclusion

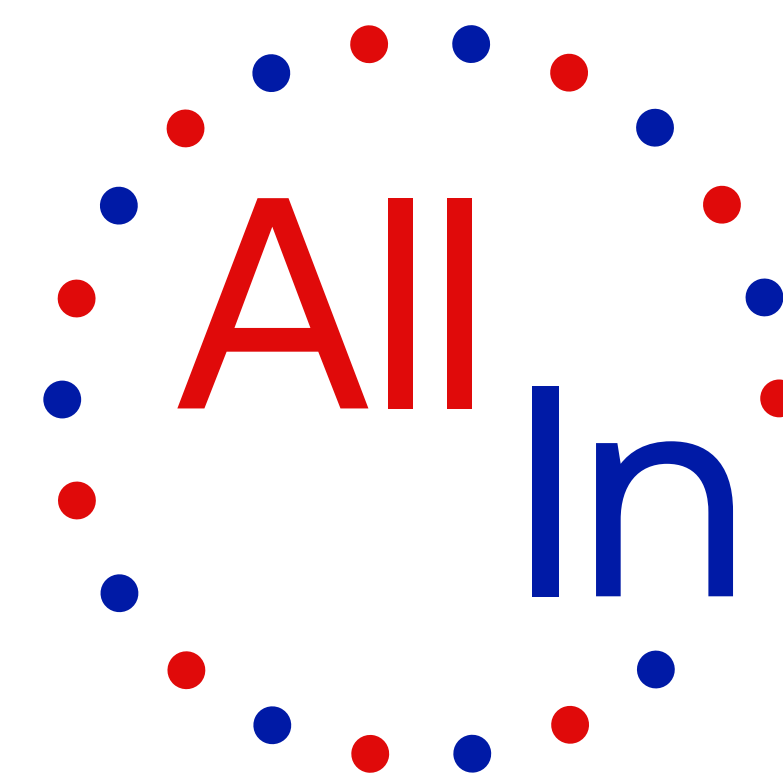
Our five-year All In DE&I strategy comprises of three pillars – Diversity, Equity and Inclusion – while publicly setting out clear ambitions to move towards genuine gender parity (including diverse gender expressions) and to increase employee representation from Global Majority groups. We've taken important steps to better support our entire workforce, while working to drive gender and race equity across Virgin Media O2.

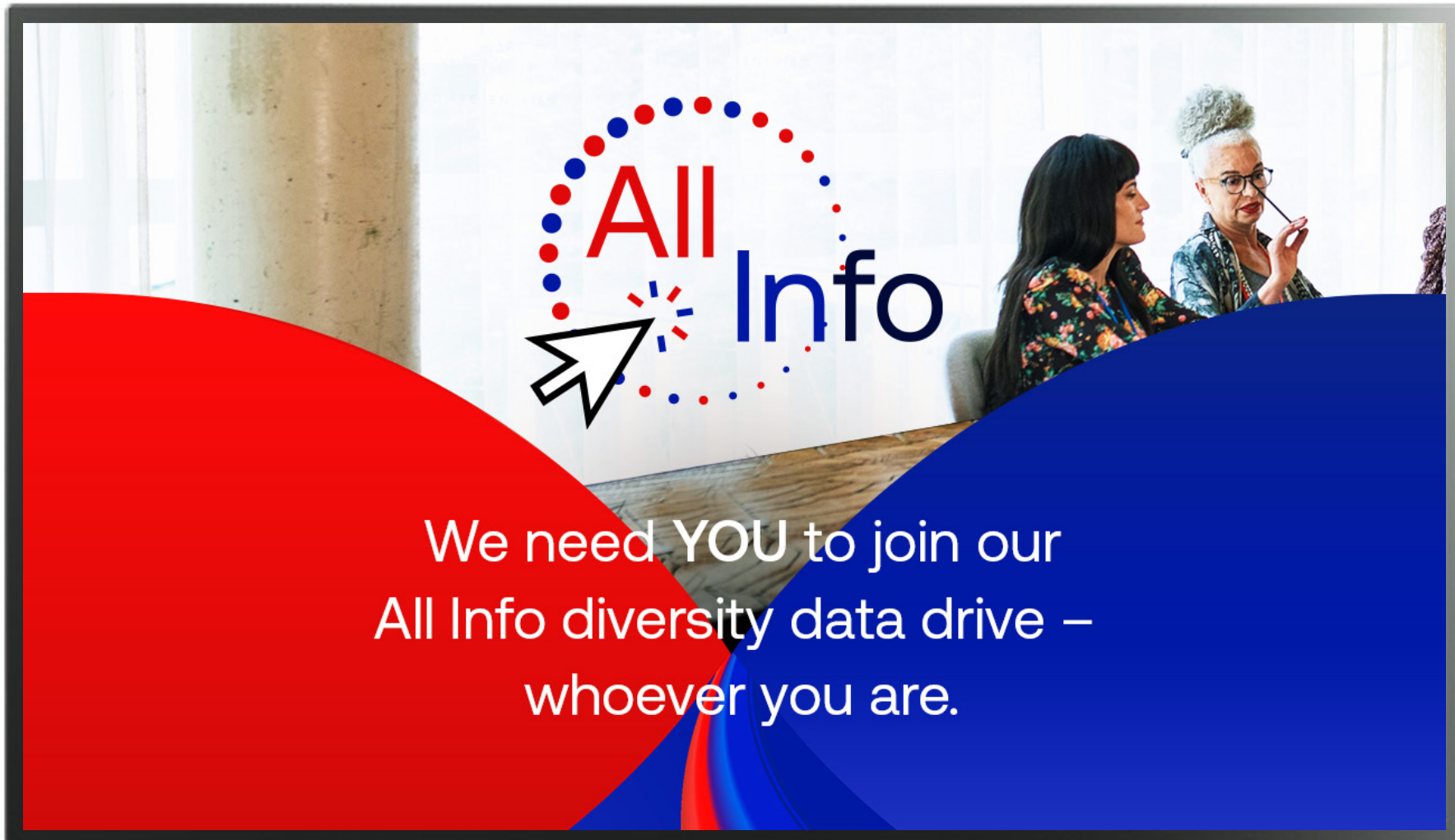
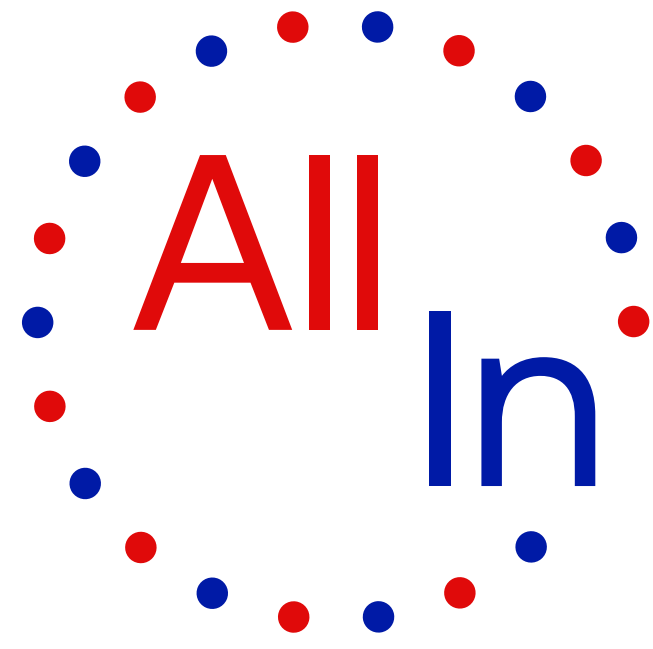
Enhancing our leave policies

In September 2022, Virgin Media O2 introduced new 'Family Friendly policies' to support employees during important life events like welcoming a new family member or handling unexpected situations. These policies cover various situations including Maternity, Adoption, Paternity, and more. Since their launch, there has been a significant increase in their use across the organisation. Overall, there's been a 39% increase in employees using these policies.

Celebrating diversity and encouraging allyship

To raise awareness across the business, we regularly host DE&I events run by our employee networks. For our flagship event, National Inclusion Week, we organised the intersectional theme 'All In for Families' at our Hammersmith office. During this event, we invited experts from well-known charities to discuss surrogacy, adoption, and fertility. Prior to this flagship event, we released tools and resources on these topics and how managers could further support employees.





Increasing data disclosure ●



We've continually encouraged our employees to share their diversity data on our HR system to help understand the diversity within our business. Over the past year, we've been signposting to our communications campaign – the 'All Info' diversity data drive – which has significantly increased disclosure across disability, ethnicity, and sexuality.

Supporting our All In Networks ●

More than half of our employees are members of our six employee networks representing Gender, Race & Ethnicity, LGBTQIA+, Disability, Neurodiversity, and Carers. These networks play a crucial role in shaping our culture while providing support for employees to connect with others who have diverse backgrounds, experiences, and perspectives. Sponsored by our Executive Committee, these networks are designed by employees for employees to celebrate key dates and increase awareness of the challenges faced by traditionally marginalised groups.

Listening mechanisms ●

Our culture is critical to ensuring our employees feel safe, and empowered, to be their whole self at work. We provide a range of feedback channels and opportunities for our people to share their views and challenges on DE&I within Virgin Media O2 – most notably, our regular employee engagement survey (Your Say), our dedicated annual DE&I Survey (Vibe), and via our employee networks and DE&I team.

- | | |
|------------------|----------------|
| Gender | Disability |
| Race & Ethnicity | Neurodiversity |
| LGBTQIA+ | Carers |

DE&I & AI ●

We have created an automated 'All In' bot to reach audiences for all DE&I-related events and topics. Since December 2022, the 'All In' bot has sent more than 60,000 messages, reaching approximately 4,000 people every month with monthly broadcasts on DE&I updates. The bot is also utilised for DE&I workshop bookings, with more than 3,000 successful bookings made through it. Additionally, we have observed significant engagement in other campaigns, which gathered more than 3,000 visits to HR systems. The streamlining of these services through the bot has saved the DE&I team 40 hours of time per month, enabling the team to focus on consulting and supporting the business to drive inclusive practices and create belonging within their teams. Furthermore in 2023, we were awarded 'Best of the Bots' certification, by [The Bot Platform](#)

Binary Gender Pay Gap Report 2022-2023

Headcount & Binary gender split • Pay Quartiles 2023 • Pay and Bonus pay gaps

Headcount & Binary gender split



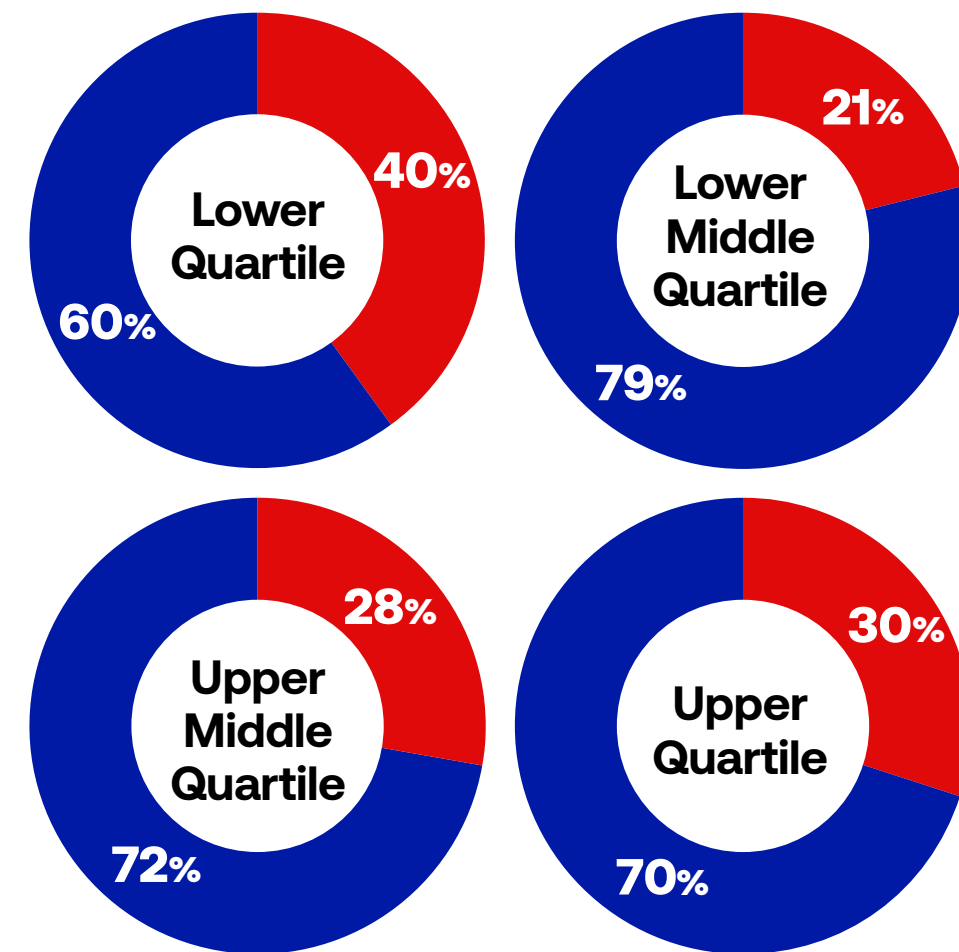
Relevant Employees
17,203

Relevant Full Pay Employees
16,147

Relevant Full Pay Employees

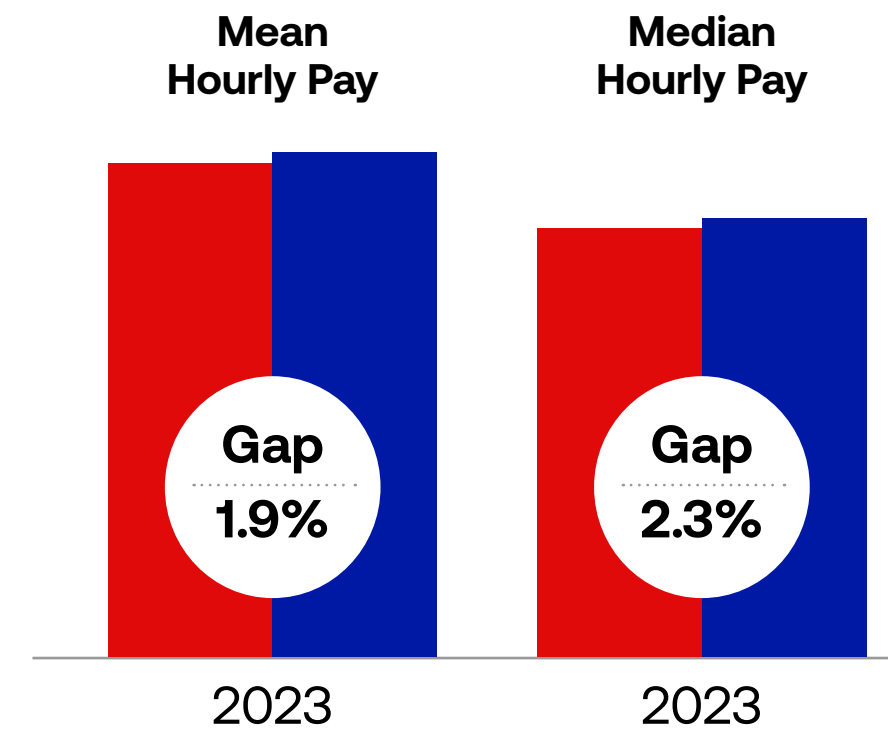


Gender Pay Quartiles 2023



We have seen an increase in proportionate headcount for women across Virgin Media O2 overall in 2023. A small reduction in female representation over the lower pay quartiles, this was mainly seen across a number of operational roles. We have seen a small increase in female representation over the upper pay quartiles following internal re-organisation.

Gender Mean and Median Pay Gaps



We have seen marginal improvement in the Mean Virgin Media O2 pay gap, with a bigger change seen in the median showing a movement of 1.9 percentage points, closing the gap seen in last year's Gender Pay report, reducing our Mean and Median to near 2%. This is reflective of the changes seen across

Bonus Gender Pay Gaps

• Women • Men



Proportion of men and women eligible for 2022/23 bonus payments

Men: 77.6%
Women: 72.2%

Bonus pay gaps

	%Gap	£Gap
Mean	12.5%	£973
Median	11.9%	£387

This year we have seen a significant change across bonus pay gaps, which is due to the measures we took to support our employees with the rise in the cost of living. In 2022-2023, we supported employees earning under £35,000 with additional non-consolidated cost of living payments of £1,400. This has been represented in our bonus pay and has increased the number of employees receiving a bonus for this reporting period, and increased the bonus pay gap to being favourable to male employees.

What are we doing to close the Binary Pay Gap?

Strategic goal to move the dial on gender representation

Our first ambition in our All In strategy is to move the dial on diversity. We've committed to making significant headway in driving gender parity across our organisation by 2027; and to achieve gender parity in our wider leadership population (both inclusive of representation from those with diverse gender expression and identities) we have been closely collaborating with each department to set local ambitions that align to the overarching strategy. Key interventions have been incorporated into recommendations to bring us closer to our goals.



Menopause Friendly Employer

In 2022, after conducting a comprehensive assessment of our culture and the level of support available for our people, we became the first telecommunications organisation to achieve the Henpicked 'Menopause Friendly Employer' accreditation. The Women's Network continuously provides space for support and guidance for all employees on menopause topics through virtual webinars and a menopause support group, encouraging all genders to participate in the conversation. We will continue our efforts to be a forward-thinking organisation with a clear understanding of how menopause affects women in the workplace.



Women's Network

We support the ongoing efforts of our Women's Network which works to raise awareness of the topics that impact working women. The network provides a safe space for women to focus on achieving their business and personal goals, plus support, inspiration, development and networking through events and online discussion. Their current areas of focus are Development, Health & Wellbeing, Family and Women in Technology.

In collaboration with the Fawcett Society, Virgin Media O2 sponsored research aimed at understanding the Gender Gap in Tech. The Fawcett Society, the UK's leading charity for women's rights, is advocating for change from employers, government, schools and universities to update the system and address the toxic culture in the tech industry. The research has identified serious cultural issues driving low levels of psychological safety, retention challenges, and a lack of belonging for women working in tech roles. We are dedicated to reviewing the recommendations from this research and accelerating changes across our business in line with our All In Strategy.



International Women's Day

In 2023, International Women's Day revolved around the theme of "Embrace Equity", inspiring women to take charge of their own careers, own their development, and foster personal growth. The Women's Network organised empowering sessions featuring influential women role models who shared insights on building confidence, navigating change, and embarking on journeys of self-discovery to empower our employees. Additionally, we had the privilege of hosting inspiring WISA (Women in Sales Award) winners, shedding light on their remarkable career trajectories.

Girls Talk London

We continue to support our five-year partnership with the award-winning gender equality organisation, Girls Talk London. Through this collaboration, we take pride in supporting their Step Up Programme, a groundbreaking technology talent accelerator designed for women globally. In conjunction with other sponsors, the Step Up Programme provides invaluable access to professionals and comprehensive skills development training for female university students. Over six-month intervals, participants receive mentorship and guidance to nurture their career aspirations in the tech industry.

What are we doing to close the Ethnicity Pay Gap?

Ethnicity split • Proportion of Global Majority and White employees in each pay quartile • Hourly pay gaps • Bonus pay gaps

Ethnicity split



Relevant Employees
12,091

Relevant Full Pay Employees
11,417

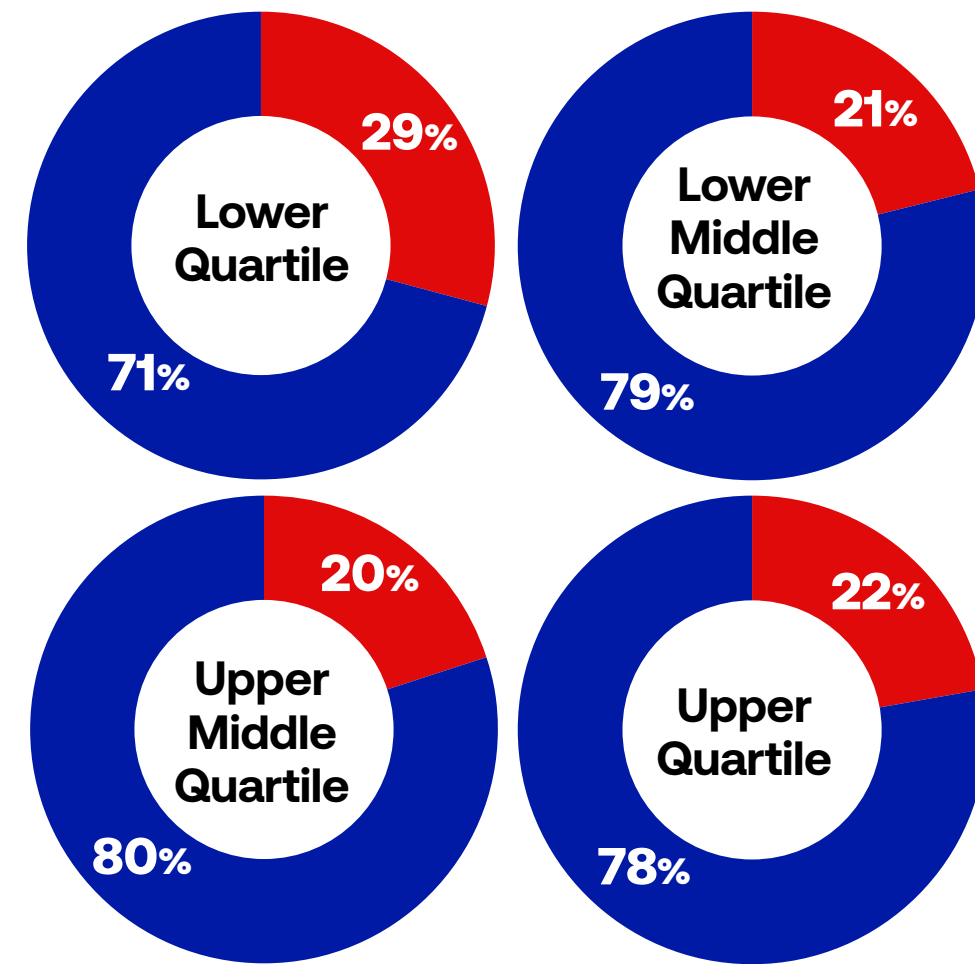
Disclosure
70%

Global Majority
23%

White
77%

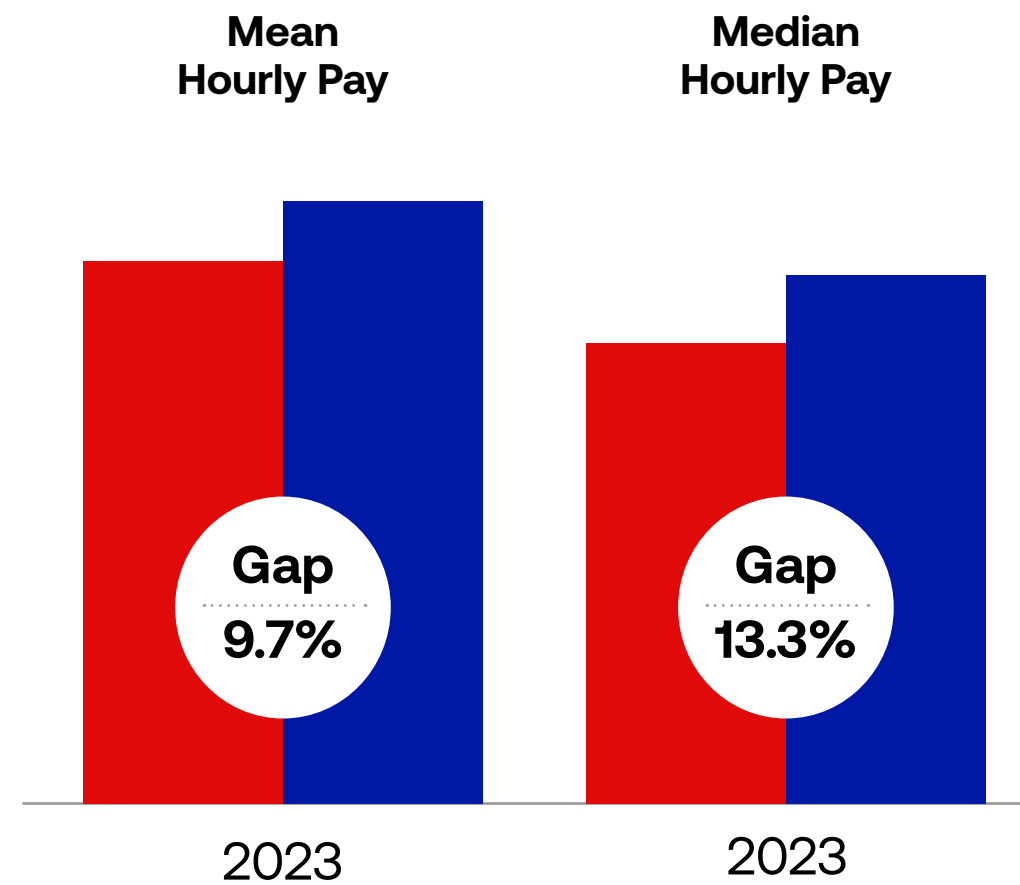
We have seen continued improvement to our disclosure rate since the last report, increasing from 63% to 70% ethnicity disclosure overall. We have also seen an increase in representation of Global Majority employees, from 21% in last year's report to 23% this year.

Ethnicity Pay Quartiles 2023



Across the pay quartiles from the overall increase in representation, we saw a minor increase in Global Majority employees across the lower quartiles, with a marginally higher increase across the upper quartiles.

Ethnicity Mean and Median Pay Gaps



Continued improvement is seen in the Virgin Media O2 Mean and Median pay gaps also, with a narrowing gap of 0.6 percentage points in Mean pay and 2.1 percentage points in Median pay across Virgin Media O2. This is also a more substantial reflection of our employees through the increased disclosure rate for ethnicity.

Bonus Ethnicity Pay Gaps

• Global Majority • White



Proportion of Global Majority and White eligible for 2022/23 bonus payments

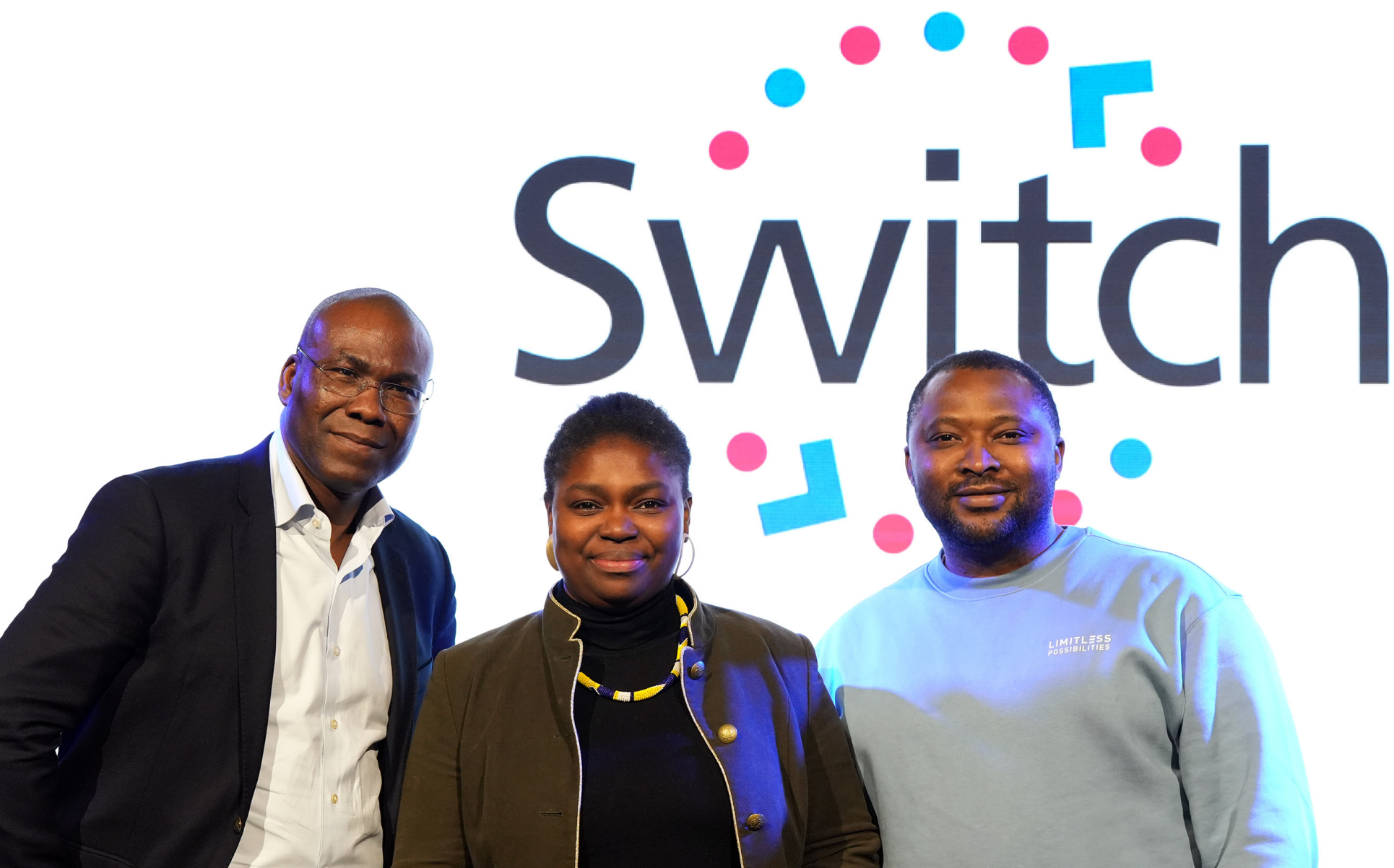
White
85.5%

Global Majority
86.9%

Bonus pay gaps		
	%Gap	£Gap
Mean	41.3%	£3,315
Median	39.4%	£1,439

Similar to the Bonus Pay gaps for gender, the Ethnicity Bonus Gap is also impacted by the additional non-consolidated cost of living payments. This resulted in a 16.2% increase in employees from Global Majority Group backgrounds receiving a bonus.

What are we doing to close the Ethnicity Pay Gap?



Strategic goal to move the dial on ethnicity

A core ambition from our All In strategy is to move the dial on diversity. As part of this, we've committed that, by 2027, 15% of our leadership population and 25% of our entire organisation will be from Global Majority groups. The ambition is different for leadership because we are starting from a lower position in terms of leadership representation. Our ambitions need to be stretching but achievable. Ultimately, we want to make meaningful change where decisions are made.

20/20 Levels

We continue our three-year sponsorship with 20/20 Levels (formerly known as 20/20 Change), a renowned social mobility organisation dedicated to empowering Black and racially underrepresented young individuals. Through this partnership, Virgin Media O2 remains committed to supporting the 'I AM CHANGE' programme, which provides invaluable opportunities for skill development and mentorship, empowering participants to realise their full potential and pursue their future aspirations. By investing in programs like 'I AM CHANGE,' we strive to foster a more inclusive and equitable society, where every individual has the opportunity to thrive and succeed.



2020change.org/i-am-change

Increase diversity data

We actively promote transparency and inclusivity by encouraging our employees to voluntarily disclose their diversity data through initiatives like 'All Info'. Additionally, all our Diversity, Equity, and Inclusion (DE&I) events emphasise the importance of this disclosure. Sharing ethnicity data enables us to gain valuable insights into our employee population, empowering us to take targeted actions to address areas of concern and advance equity for Global Majority groups.

Ally Up anti-racism training

In 2023, we unveiled our inclusion initiative known as 'Ally Up,' designed to delve into crucial DE&I topics through a series of dedicated workshops throughout the year. One such workshop, focusing on Anti-Racism, offered in-depth discussions on terminology, privilege, historical context, and anti-racist practices within a supportive environment that encouraged open dialogue and curiosity. The overwhelming response saw more than 3,000 employees register for these courses. As we move forward, we are committed to further enhancing and expanding the Ally Up series, ensuring continued education and empowerment for all our employees.



Enrich Network

Enrich, our employee network for race, ethnicity and cultural heritage, supports and educates all Virgin Media O2 employees on issues related to race and ethnicity. Enrich also consult with the business to ensure we are driving race equity in our policies and practices. Enrich aim to enhance company culture by maintaining an anti-racist community, amplifying employee voices, and influencing or changing things if they're not right.

Enrich Hero Campaigns

In 2023, Enrich celebrated Black History Month by spotlighting the remarkable contributions of Black women within our business. Following the national theme of "Saluting Our Sisters," they organised a captivating four-part series throughout the month. Each session featured inspiring Black women sharing their insights on the significance of sisterhood, exploring its meaning and importance in their lives and careers. Simultaneously, our Enrich Network invited all employees to take part in the celebration of South Asian Heritage Month. Throughout the month, we immersed ourselves in the rich tapestry of South Asian cultures, embracing various key themes such as Famous and Influential South Asian people, South Asian history, and South Asian Arts & Culture.



Looking to the future

SWITCH

Designed to advance and support internal Black leaders at Virgin Media O2, SWITCH is an initiative aimed at developing crucial leadership skills, mindsets, and networks necessary for their career advancement. The programme addresses existing gaps in opportunities for Black professionals by offering tailored support and opportunities. Through mentorship, sponsorship, and skill-building initiatives, SWITCH empowers Black leaders to reach their full potential. This investment demonstrates our commitment to our All In Strategy.

Zero tolerance

To ensure the safety and respect of our customer-facing employees, we have reinforced our zero-tolerance approach toward any forms of abuse. This strengthened approach establishes a clear process for reporting unacceptable behaviour and provides necessary support mechanisms for the health and wellbeing of our employees in the workplace.

Workplace adjustments

We have introduced a new Workplace Adjustments process aimed at providing comprehensive support to our employees who may require it. Recognising the significant impact that having the right tools can have on both productivity and well-being, we are committed to ensuring that every employee has the necessary resources to perform at their best. Whether they are experiencing a change in circumstances, require support for a pre-existing condition, or have specific requirements as a new employee, our process is tailored to meet the needs of anyone with an impairment or condition.

External partnerships

We continue to work closely with external partners such as 20/20 Levels and Step Up to understand how we can truly support the development of diverse talent within Virgin Media O2.

Building our Allyship journey

Building on the success of our 2023 inclusion initiative, 'Ally Up', we're introducing dedicated tools designed to promote inclusion within teams across the organisation. These comprehensive resources, accessible to all employees, empowering everyone to foster inclusive practices every day. Additionally, we're introducing a mandatory DE&I employee learning and development module to ensure that everyone is aware of their own accountability in supporting inclusive team environments and strengthening allyship across our organisation. This ensures our training stays aligned with our strategy and ongoing commitment to cultivating a diverse and inclusive workplace culture.

Inclusive recruitment policies

We continue to review the way we recruit by investing in new systems that provide improved data to help us drive action to increase the diversity of our talent. In 2023, we implemented a new recruitment system

which gives candidates a more inclusive and simplified approach when applying for roles at Virgin Media O2. We are 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 also use independent assessment observers to support Managers when interviewing to ensure more inclusive decision making.

Continuing menopause support

We're enhancing our menopause support because navigating this phase can still be challenging without the right assistance. Recognising that each person's experience is unique, our support is customised to individual needs. In collaboration with our partner, Bupa, we've introduced a Menopause HealthLine for continuous support. Our flexible care options, including face-to-face, video, and telephone appointments, empower our employees to take control of their health journey.



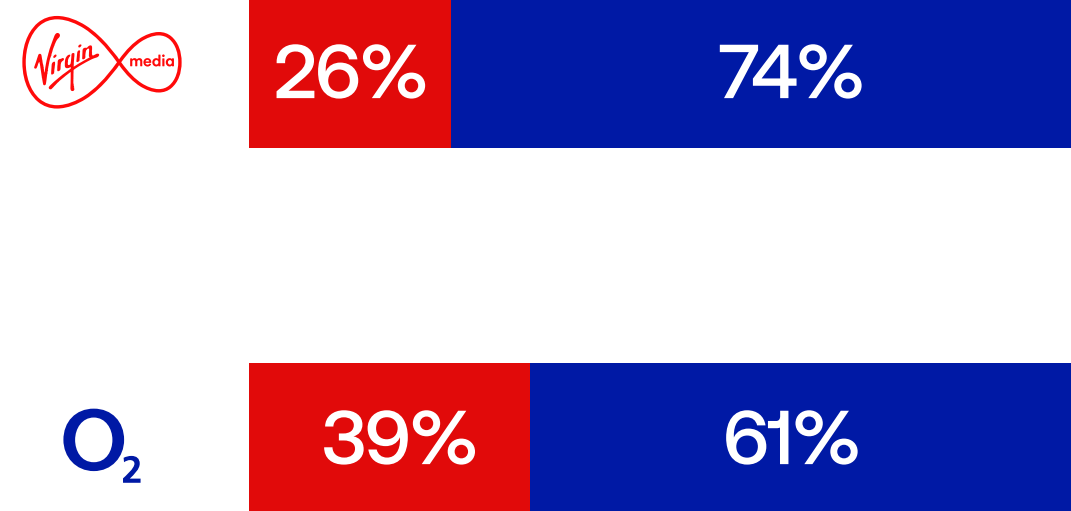
Appendices

Virgin Media and O2 numbers in an appendix for gender

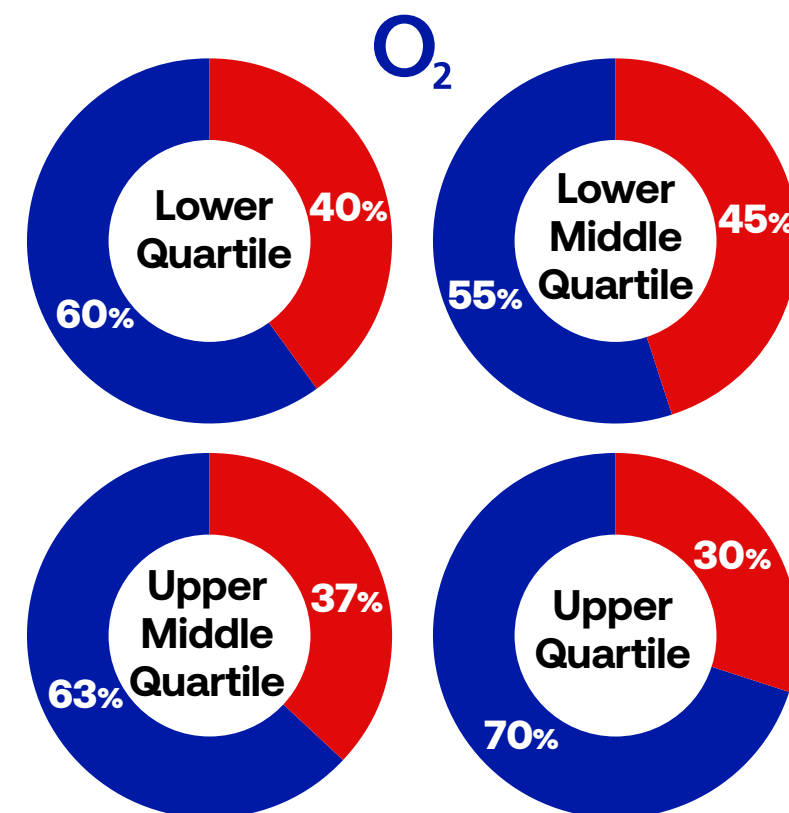
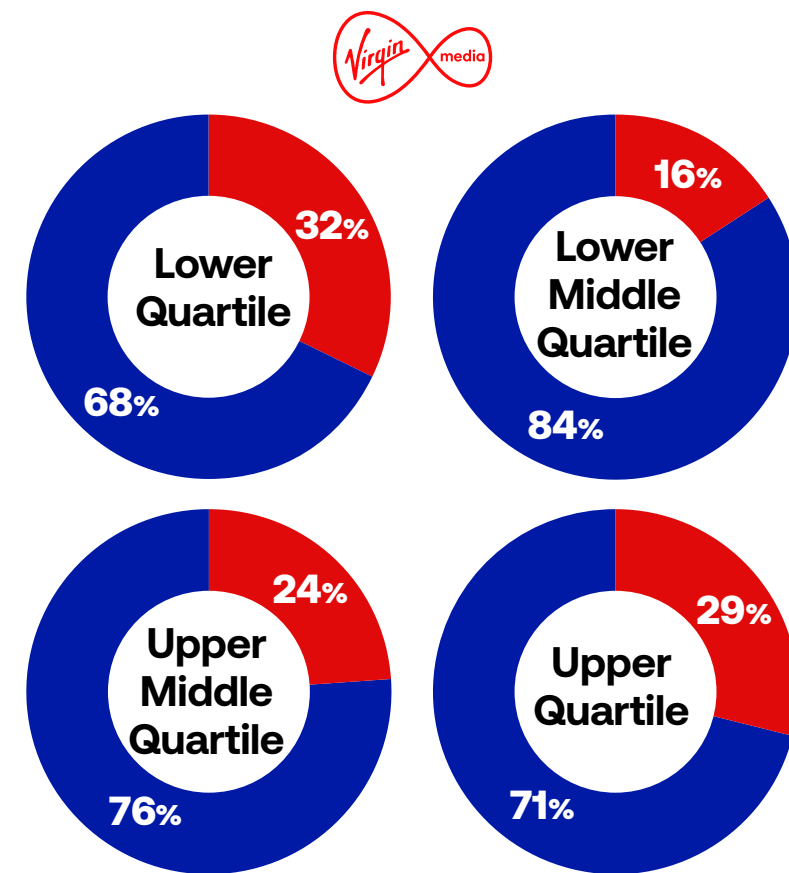
Headcount and Binary Gender split

	Virgin Media	O2
Relevant Employees	11,032	6,171
Relevant Full Pay Employees	10,413	6,102

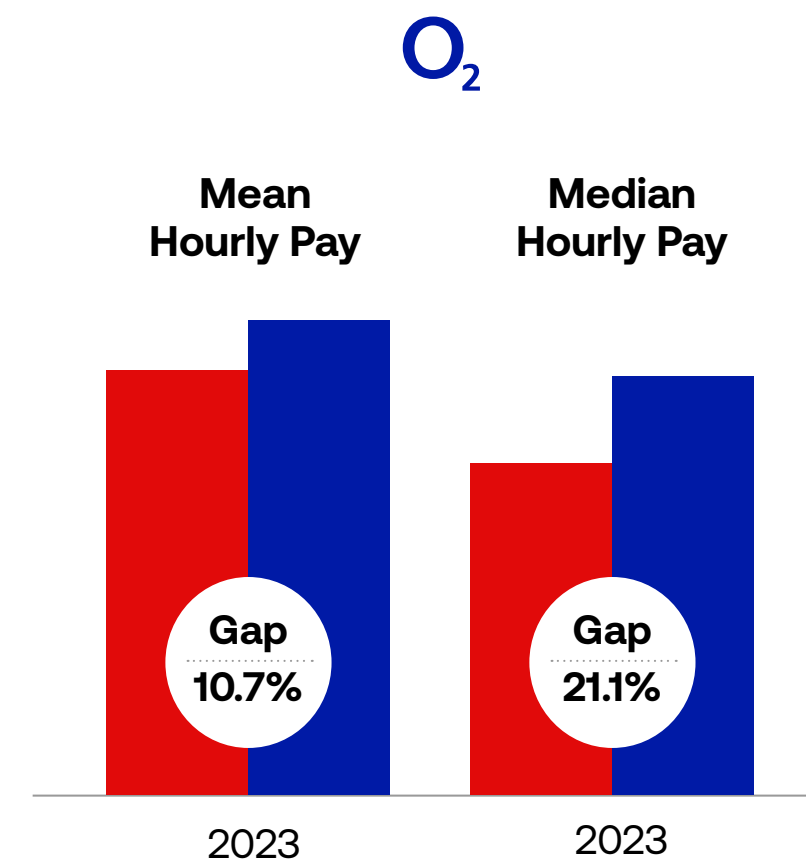
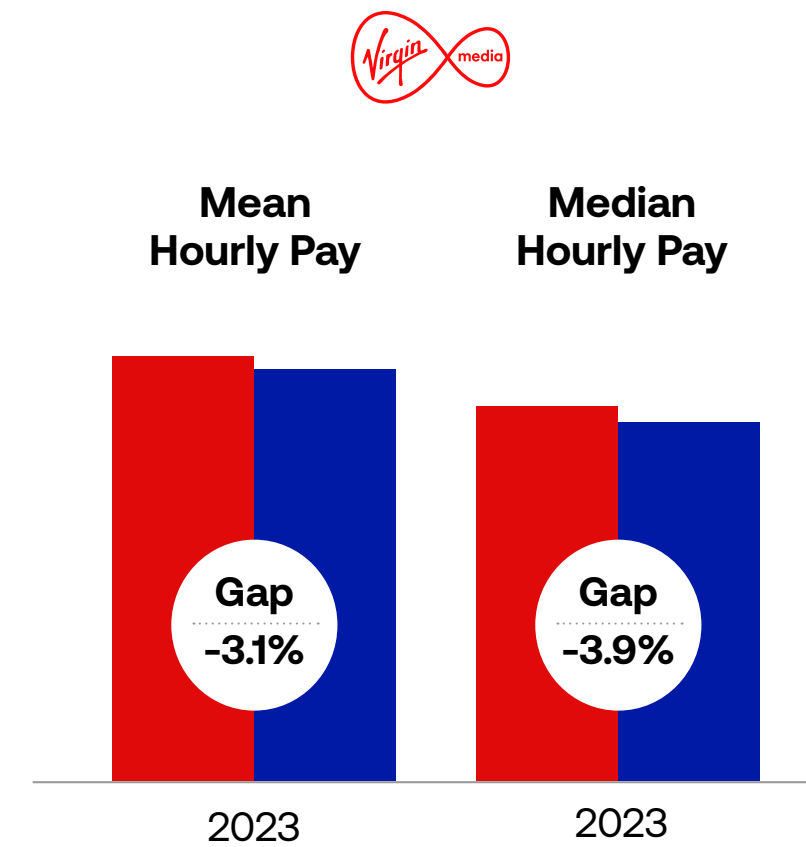
Relevant Full Pay Employees



Gender Pay Quartiles 2023



Gender Mean and Median Pay Gaps



Bonus Gender Pay Gaps

Proportion of men and women eligible for 2022/23 bonus payments

	Virgin Media	O2
Men	83.2%	90.3%
Women	80.2%	92.2%

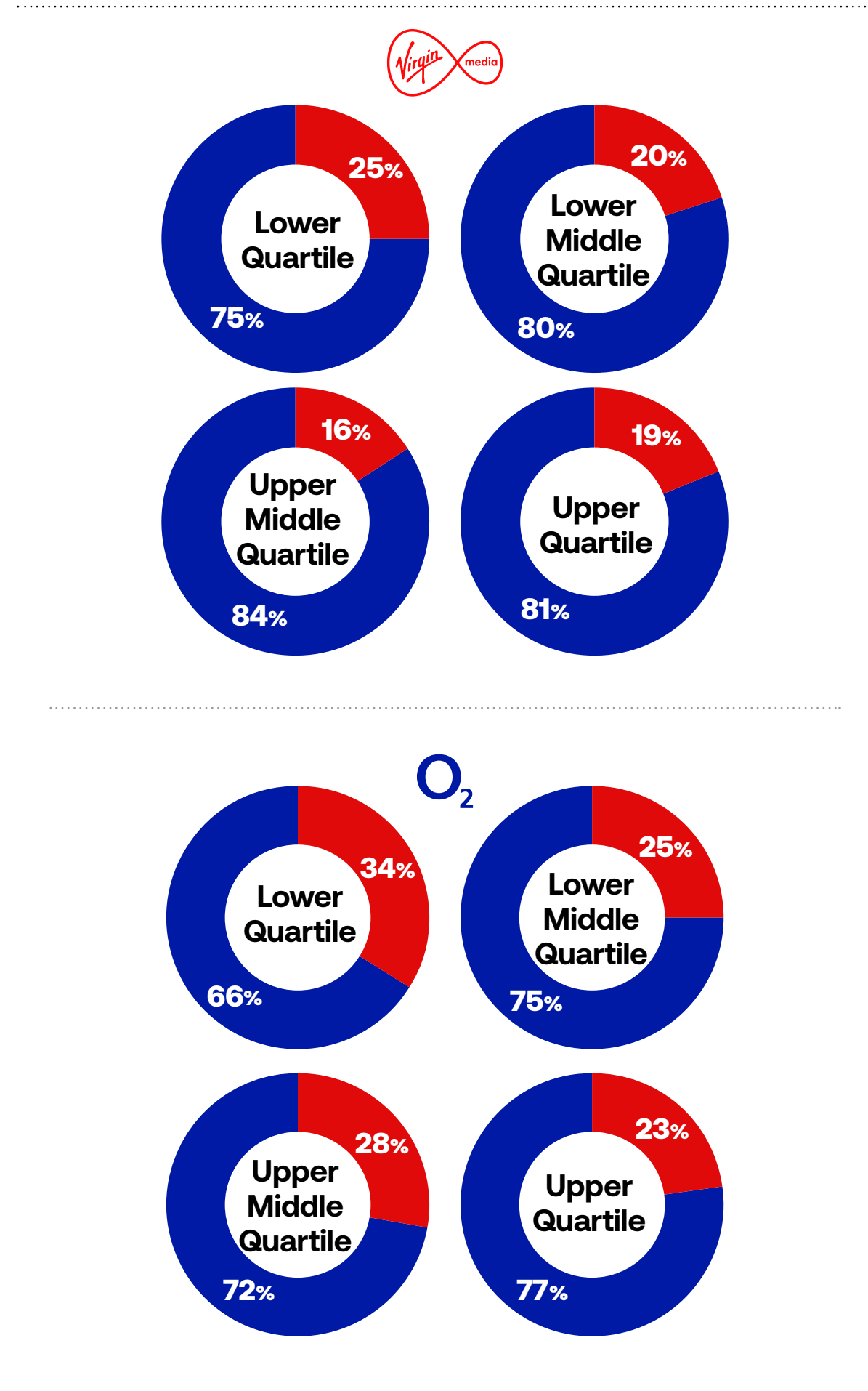
	%Gap	£Gap
Virgin Media Mean	3.9%	£314
Virgin Media Median	56.7%	£1,566
O2 Mean	18.4%	£1,294
O2 Median	10.4%	£419

Appendices

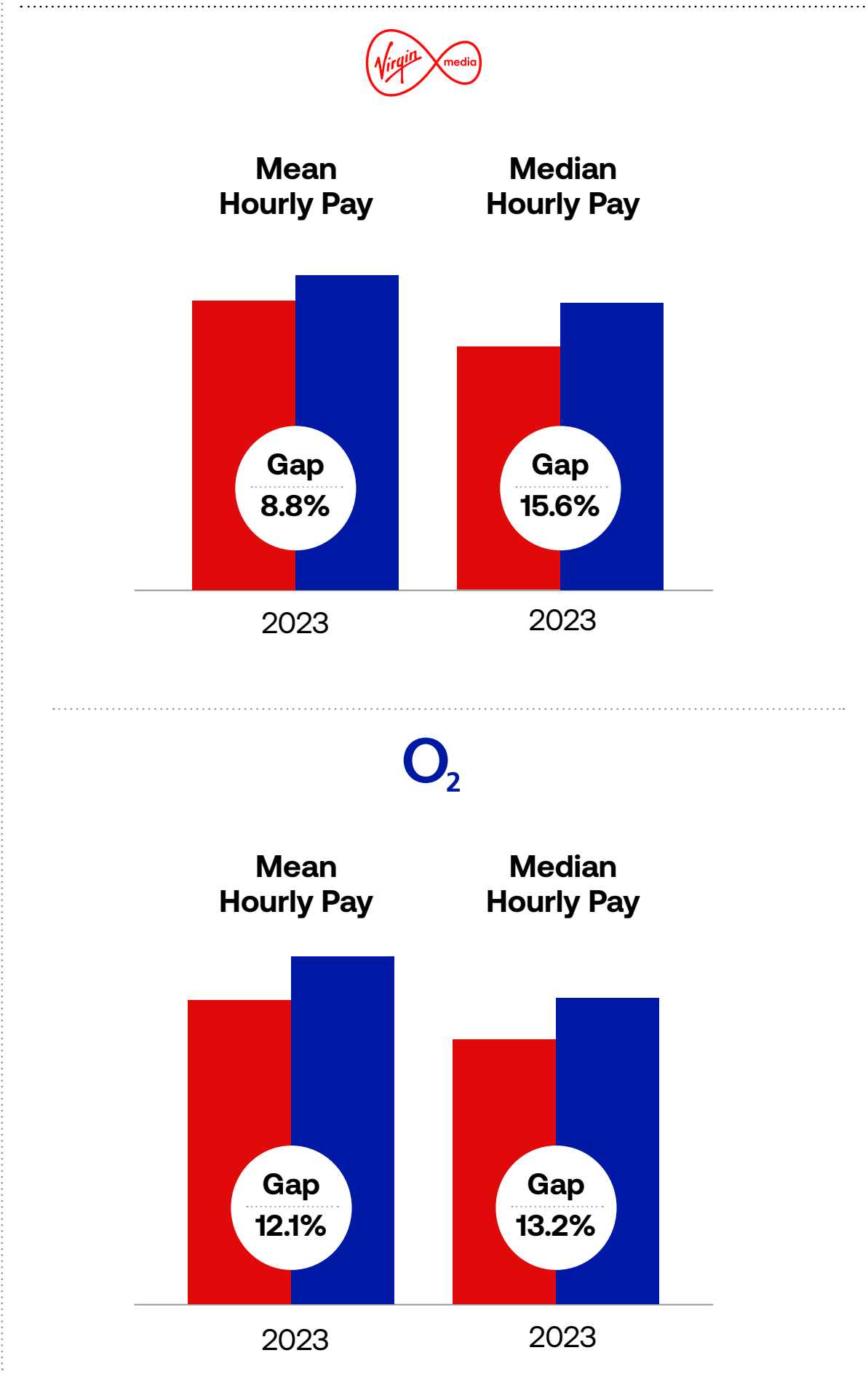
Ethnicity split

	Virgin Media	O ₂
Relevant Employees	7,057	5,034
Relevant Full Pay Employees	6,685	4,732
Disclosure	64%	82%
Global Majority	20%	28%
White	80%	72%

Ethnic Pay Quartiles 2023



Ethnicity Mean and Median Pay Gaps



Bonus Ethnicity Pay Gaps

Proportion of men and women eligible for 2022/23 bonus payments

	Virgin Media	O ₂
Global Majority	81.9%	92.0%
White	79.9%	94.2%

	%Gap	£Gap
Virgin Media Mean	33.9%	£2,810
Virgin Media Median	36.8%	£1,066
O ₂ Mean	48.0%	£3,689
O ₂ Median	26.7%	£1,081

Appendices

Key terminology

Relevant Employees

All employees who were employed by us on 5 April 2023.

Relevant Full Pay Employees

All employees who were paid their usual full pay on the snapshot date (i.e. did not receive a one-off bonus, nor were they on unpaid leave, both of which may skew the figures).

Snapshot Date

Gender Pay Gap calculations will be based on figures from a set date each year – for businesses like Virgin Media O2 this is 5 April.

Pay Quartiles

The proportion of employees across our Ordinary Pay range is represented in quartiles by dividing the workforce into four equal segments, from the lowest hourly rate to the highest hourly rate.

Ordinary Pay

This is the basic hourly pay on the snapshot date (5 April), plus bonus (monthly and quarterly) and premiums (shift premiums, on-call allowances etc), which is then converted into an hourly rate.

(Note: Overtime and pension contributions are excluded, as is our annual bonus paid in March).

Global Majority

This includes Asian, Dual Heritage, Black and other Global Majority groups.

Calculation definitions

Mean (average) calculation

The mean is calculated by adding up the wages of all relevant employees and dividing the figure by the number of employees.

The average hourly rate of traditionally marginalised groups (women or Global Majority) compared to the average hourly rate of majority groups (men and white employees) as a percentage. A positive % indicates a favourable pay gap towards traditionally dominant groups, and a negative % indicates a favourable pay gap towards traditionally marginalised groups.

Median (middle) calculation

The median is the figure that falls in the middle of a range when the wages of all relevant employees are lined up from smallest to largest. The median gap is calculated based on the difference between the employee in the middle of the range of traditionally marginalised groups (Global Majority or women) and the middle employee in the range of the majority groups (white or men). A positive % indicates a favourable pay gap towards majority groups, and a negative % indicates a favourable pay gap towards traditionally marginalised groups.

Bonus Pay Calculation

Bonus Pay refers to any bonus, commission, or equity (vested RSUs, PSUs or exercised SARs) paid between 1 April 2022 and 31 March 2023, this doesn't pro-rate for part-time employees and those who have joined or left through the year. This is not an hourly figure but an overall total figure of bonus awarded during the year. We then calculate mean and median bonus pay gaps.



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