

# 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 (including the EMT) have acted in good faith in the interest of the Shareholders and the Group as a whole, 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.

Stakeholder engagement helps us understand how we can deliver a successful and sustainable business as an integrated communications provider of mobile, broadband internet, video and fixed-line telephony to residential customers and businesses in the UK. Our Corporate Governance framework 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. For administrative efficiencies, key stakeholder engagements are conducted at an operational level, led by the Executives, who are each a sponsor for their business area.

Details of how we have promoted the success of the Group are disclosed in the “Our Group Strategy and 2024 Progress” section on page 9. 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 Statement on page 93.

## Customers

Our customer base comprises of consumer, business and public sector customers. Further details are discussed in the “Consumer” section of the Strategic Report on page 10 and the “Business and Wholesale” section of the Strategic Report on page 12.

Customer satisfaction is essential to our long-term success as we continue to put our customers at the heart of what we do. 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 and businesses economic outlook continues to prove challenging.

Topics	How we engage and monitor	Outcomes
Providing high quality and reliable connectivity at home and on the move.	<b>How we engage:</b> We stay close to our customers through direct and indirect methods including an extensive primary insight calendar and advanced data analytics. This involves interacting with all customer types with different product holdings, at different lifecycle stages. Additionally, we utilise real-life customer panels to understand customer perspective on drivers of our business in depth.	We have improved mobile connectivity through the launch of 5G Standalone and delivering the first phase of the Shared Rural Network.
Ensuring that our customers are well served in every interaction with us.		Our fixed serviceable footprint expansion has enabled us to provide fixed services in new areas.
Building a connection with customers to make them feel valued.	<b>How we monitor:</b> Analyse customer journeys through customer journey measurement framework.	We also launched our O2 Essential Plan offering low-cost mobile connectivity for those receiving a range of government support payments. This complements our social broadband tariffs and partnership with the National Databank.
Continued macroeconomic challenges for consumers and businesses.	Customer insight from Net Promoter Score (NPS), social media and other information sources.	We stepped up our activity with our Priority loyalty scheme including the chance to access exclusive free gig tickets for customers.
	Customer segmentation embedded across the organisation.	We have taken multiple measures to educate and protect our customers from the risk of fraud, including the launch of “Daisy”, a human-like AI software that’s been answering calls in real time from fraudsters.

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 “People” section of the Strategic Report on page [18](#).

Topics	How we engage and monitor	Outcomes
Employee retention and commitment	<b>How we engage:</b> Quarterly live streams lead by the CEO and the Executives including Questions and Answers session.	The Employee Engagement score increased by 4 points from May 2023, reaching 76 in November 2024, with participation rate of 88%.
Transformation and integration as one business	Workplace, an interactive social platform, for two-way communication.	In 2024 we introduced a new enterprise-wide digital content library to support learning and development. This allows us to provide more tailored, relevant content that meets the diverse needs of our employees, supporting their continuous growth and development.
Wellbeing, health and safety	Executives tour across the country and corporate sites. This includes “Big Conversations” where our Executives held informal get-togethers at various sites for open agenda-free conversations.	Leadership programmes like Navigate and Inclusive Leader enhanced resilience and inclusive leadership for our leaders.
DE&I	<b>How we monitor:</b> In 2024 we launched an “Always on Listening” approach which involved three pulse surveys in the year, with a wide range of questions to understand the views and perceptions of employees.  Our six employee DE&I networks provide an open forum, with each network having sponsorship from members of our EMT and senior management.	A redesigned reasonable adjustments process, coupled with a partnership with Even Break, further ensured recruitment was inclusive and accessible for candidates with disabilities.  2024 annual salary review was a flat rate increase across all eligible employees. 2024 also saw the introduction of our Growth & Contribution Framework, purpose-led, self-driven, and conversation-based. This innovative new approach directly links individual contributions with our collective growth and high performing employees were awarded incremental salary uplifts, implemented in the fourth quarter.  During Health and Safety Week 2024 we encouraged every person in our organisation to work towards best practice.  We launched our “That’s Not Okay” campaign to reinforce our zero-tolerance stance on discrimination, bullying and harassment.

Suppliers

We rely on a number of partners for many aspects of our operations, including building our networks, supporting our customers and providing the products and services used by our customers. We procure these products and services both directly and via the procurement services of Telefónica and Liberty Global (procurement partners). The Board and EMT 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 97 of the Corporate Governance Statement.

Topics	How we engage and monitor	Outcomes
<p>Supply continuity and protecting service quality against a volatile geopolitical background has remained a focus in 2024 as we have sought to guard against any risks. Key areas have been international conflict and tension including the ongoing Ukraine conflict and conflict in the Middle East, and UK and global inflationary trends.</p> <p>Additionally, working with our partners and the sector to increase sustainability and meet emission reduction targets remains high on our priorities.</p>	<p><b>How we engage:</b> We ensure our suppliers adhere to our <a href="#">Supplier Code of Conduct</a> which is published on our corporate website.</p> <p>We maintain a dialogue with selected suppliers and our external procurement service providers to understand any potential exposure and impacts to our supply chains of external challenges, working in partnership to communicate on such issues as necessary.</p> <p>To help meet our net zero carbon target we have integrated requirements into our procurement process to reduce the impact of the goods and services we procure. These requirements are designed to make supplier decarbonisation and climate protection an outcome of our engagement with major suppliers and to align suppliers to our declared ESG goals. We have identified the contributions made by individual suppliers to our carbon footprint and engaged with the most significant suppliers to seek to reduce their carbon impacts.</p> <p><b>How we monitor:</b> Operational Processes and Supply Chain is one of nine principal risks on our risk register, and forms part of quarterly reporting to our EMT.</p> <p>We periodically measure our Scope 1, 2 and 3 carbon emissions to ensure we are on track for our Better Connections Plan net zero targets.</p>	<p>In 2024, despite the volatile geopolitical background our supply chains have proven to be resilient, and we have successfully maintained supply and customers service quality. Key to this success is a Virgin Media O2 willingness to work proactively with suppliers to address any issues that may impact quality or their ability to deliver as planned.</p> <p>We have worked with our procurement partners to specifically assess our exposure to the generic global supply chain impacts of the Middle East conflict and have identified no significant Virgin Media O2 supply impacts arising from the conflict with very limited exposure to it.</p> <p>We identified no significant sustainability concerns in our supply chains in 2024.</p> <p>Management of our supply chain enabled progress in our journey to net zero emissions across our value chain.</p>

## Regulators

Our regulators are important to enable us to deliver on our purpose as a connectivity champion and provide services to our customers at affordable prices in a competitive market, whilst considering the wider economic challenges impacting businesses and customers. Further details of our engagement with our regulators can be found on page [96](#) of the Corporate Governance Statement.

Topics	How we engage and monitor	Outcomes
One Touch Switch	<b>How we engage:</b> Regular CEO roundtables, executive steering working groups.	Successfully launched One Touch Switch in September as part of the industry-wide initiative following consultation with Ofcom, The One Touch Switching Company and other industry participants.
Millimetre wave (mmWave) Spectrum	Monthly working groups on matters that are important to the delivery of our purpose.	Submitted response to Ofcom's further consultation on the auction regulation for the release of mmWave spectrum. Ofcom have now decided on an appropriate auction design and final regulations.
Price rise rules	Informal and formal meetings on cost-of-living.  <b>How we monitor:</b> Participation in formal consultation and response to publications.	In response to Ofcom's decision to prohibit inflation-linked price variation terms, we have revised our policy and now display contractual price rises in pounds and pence.

## Investors

In addition to the shareholders of the Joint Venture, credit holders are a key stakeholder. 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 communication in conjunction with our shareholders. We understand that it is important to promote the interests of our stakeholders and remain committed in delivering value for them.

Topics	How we engage and monitor	Outcomes
Ensure shareholders, including Investor Relations (IR) teams, have an understanding of Virgin Media O2 including the latest trends, risks and opportunities.	<b>How we engage:</b> Explaining the investment proposition, actual performance, and answering the questions of investors and other external stakeholders.  Delivery of quarterly reporting, including the IFRS Bond Report, explaining the performance and developments of the business.	The Group has successfully achieved financing activity to meet the requirements of the business, this notably includes issuance €600.0 million and \$750.0 million principal amounts of Senior Secured Notes in April 2024.
Ensure current and potential investors understand the investment proposition of the business, directly and through other external stakeholders including ratings agencies and sell-side analysts.	Support for shareholder investor interaction including CEO attendance at quarterly shareholder earnings calls.  Engage investors through management and IR meetings in conjunction with shareholder IR teams.  Updates of the corporate website for significant news.  <b>How we monitor:</b> Daily monitoring of sentiment from all external parties towards Virgin Media O2, both directly and through our shareholders. Including updates to the EMT on investor and analyst sentiment and reports on shareholder share price performance.  The CEO and CFO directly meeting with investors and other external stakeholders to improve understanding of the sentiment of the business.	