

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 2022

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.

Since the launch of the 2015 Modern Slavery Act (the Act), and prior to 1 June 2021, both Virgin Media Limited (Virgin Media) and Telefonica UK Limited (O2) fully supported the principles of the Act and took a zero-tolerance approach to modern slavery and human trafficking in their operations and supply chain.

This is the first Modern Slavery Statement produced by Virgin Media O2 and it is intended to replace the individual statements produced at subsidiary level. We are currently taking steps to integrate our company processes but, as a combined business, we remain committed to using our buying power, respective brands, connectivity, and people to create a positive change in society. That commitment to responsible business includes driving an increased awareness of modern slavery risks with our suppliers and taking all necessary actions to minimise the risk of modern slavery, which is both a criminal offence and breaches our Virgin Media O2 Code of Conduct and supplier codes of conduct. We operate policies and processes to minimise any risk of modern slavery and have found no instances of modern slavery in our operations or supply chains.

This statement is made in compliance with 2015 Modern Slavery Act (MSA) and addresses the following Virgin Media O2 businesses:

- **giffgaff Limited**
- **NTL Glasgow**
- **Telefonica UK Limited**
- **Virgin Media Business Limited**
- **Virgin Media Limited**
- **Virgin Media Mobile Finance Limited**
- **Virgin Media Operations Limited**
- **Virgin Media Payments Limited**
- **Virgin Media Wholesale Limited**
- **Virgin Mobile Telecoms Limited**
- **VMED O2 UK Limited**



Business purpose, structure and supply chain

Operating businesses

Virgin Media O2’s purpose is to “Upgrade the UK and Reimagine Connectivity”. We are committed to investing in the national recovery, helping the country to climb up the international connectivity league tables and creating a brighter, more prosperous future for every corner of the UK. We are a customer-first organisation that brings a range of connectivity services together in one place, with a clear mission to power the UK’s recovery and create unbeatable choice for all our customers.

We are committed to playing a leading role in helping the UK become a connected digital leader and we are investing in the expansion of our network and bringing 5G to more parts of the country, providing high quality connections that are essential to modern life. Our ambition is to reach 50% population coverage of 5G services in 2023, optimising our network and investing in critical digital infrastructure that will boost the UK’s economic growth.

Throughout the year, Virgin Media O2 continued to trade under the Virgin Media, O2, giffgaff and Virgin Mobile brands:



Virgin Media: A leading communication services provider for broadband internet, video, fixed-line telephony and mobile services in the UK. We are one of the UK’s largest providers of residential communications services and our advanced, deep-fibre cable access network enables us to offer faster and higher quality broadband internet services than digital subscriber line (DSL) market participants. As a result, we provide our residential customers with a leading next generation broadband internet service and one of the most advanced interactive television services available in the UK market.



O2: A leading mobile network operator in the UK, recognised for putting customers first and offering unique rrewards, tickets and experiences through our Priority programme. O2 has been ranked ahead of all other mobile network operators in Ofcom’s 2021 customer net promoter score survey as the UKs favourite mobile network operator.



giffgaff: Is a wholly owned MVNO with a unique brand positioning as the mobile network run by its members. Its community of members play a central role in defining its propositions, promoting giffgaff to new members and supporting existing members. giffgaff’s core business is the provision of pre-pay, SIMO mobile services, but it also offers new and refurbished handsets (outright or via a loan from our finance partner).



Virgin Mobile: Also an MVNO, focused on value conscious customers who are looking for a straightforward, no-frills mobile proposition, using the Vodafone and BT networks. We receive 4G services from BT and 5G Services from Vodafone. In both cases, customers can fall back onto older technologies such as 3G and 2G, depending on coverage. Our strategy is to migrate customers from the legacy MVNO arrangements to the O2 network and realise the savings in network costs associated with such a move.

Business purpose, structure and supply chain

Virgin Media O2 is the corporate brand used for communicating the joint consumer and business facing propositions or portfolios since the launch of the joint venture arrangement.

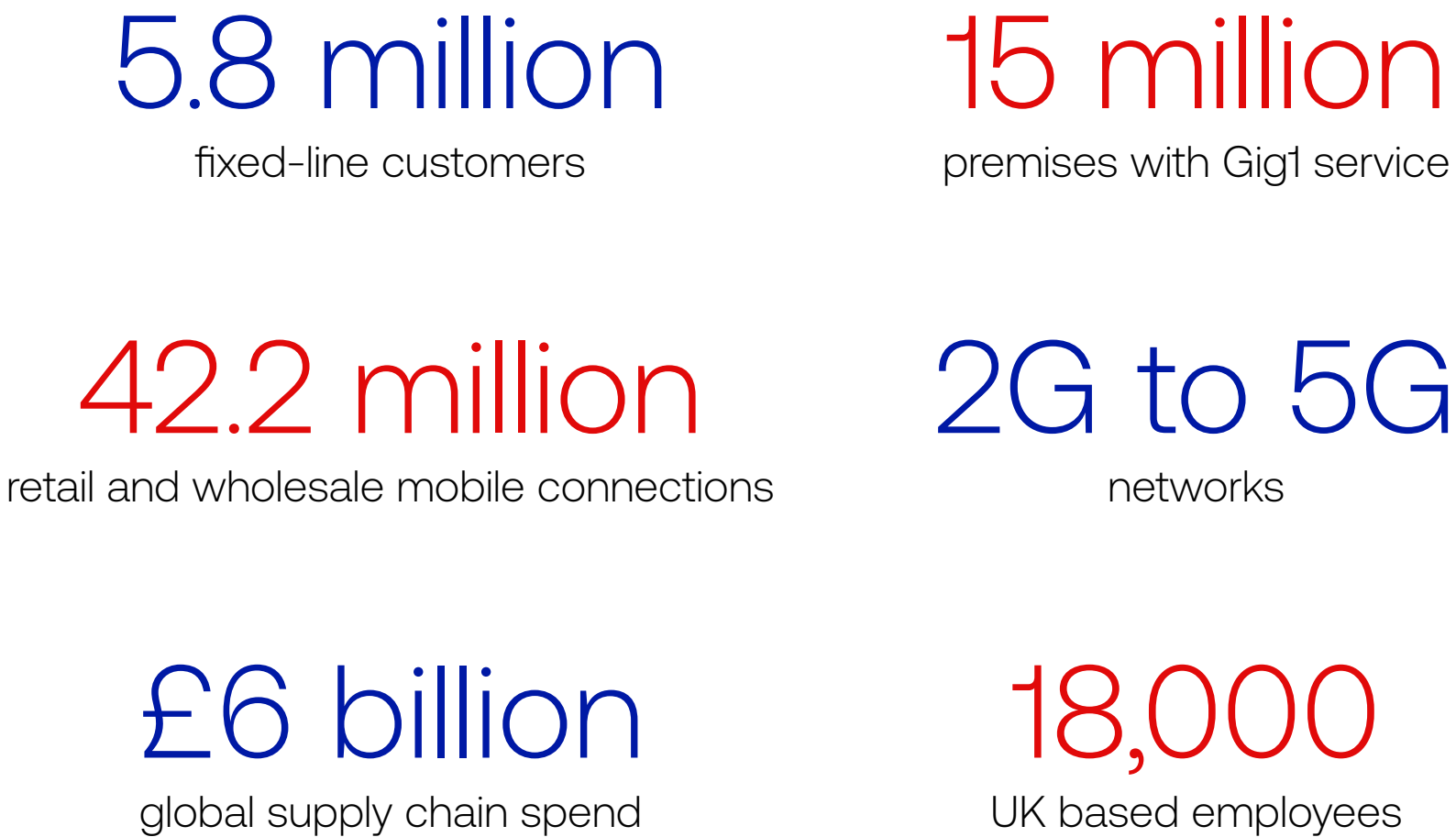
As at 31 December 2021, we had 5.8 million fixed-line customers and 42.2 million retail and wholesale mobile connections. We successfully fulfilled our commitment to deliver gigabit broadband speeds across our entire fixed-line network, and are now the largest gigabit speed provider in the UK - with our Gig1 service available across our UK footprint, representing over 15 million premises. We operated 2G, 3G, 4G and 5G mobile networks, providing 2G, 3G and 4G voice and data coverage to more than 99% (in at least one band) of the UK outdoor population. We have continued to roll out our 5G network, focusing on strengthening our 5G coverages in over 300 towns and cities while introducing the next generation network to a number of tourist hotspots.

We operate solely within the UK, servicing UK-based business and consumer customers, but we buy from a global supply chain with whom we spend around £6 billion annually - procuring goods and services from around 2,500 suppliers. Although we contract mainly

with UK-based business, their supply will often rely on facilities (their own or those of their suppliers) that are situated abroad in Asia, Europe, Africa and the USA.

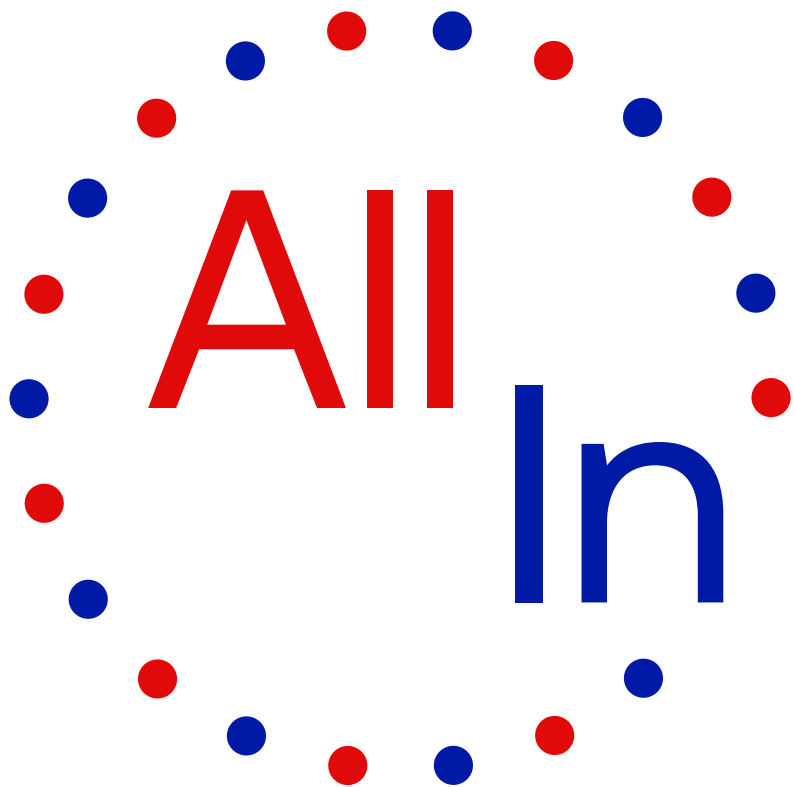
Although our spend is large, it is concentrated with a relatively small number of suppliers: less than 100 suppliers account for 80% of all purchasing spend. Our suppliers range in size from small or medium-sized enterprises (SMEs) to major corporations, and span most sectors. We procure consumer products to support the services we offer, such as Information Technology, infrastructure equipment, and services required to build and expand our networks. Our direct suppliers, with few exceptions, will generally present little risk with regard to slavery and trafficking but we do have some suppliers in sectors and geographies that are recognised as presenting a heightened risk of modern slavery. We view our extended supply chain as the main source of modern slavery risk to be managed.

Virgin Media O2 had around 18,000 UK-based employees as at the close of 2021 and operates several corporate offices, shops and technical sites across the UK. We launched our approach to hybrid working in September 2021, providing many of our office-based employees with the opportunity to complete their role remotely, where their work allows, while still providing office spaces for meaningful, in-person collaboration.



Managing modern slavery risk within our operations

Virgin Media O2 has a People and Transformation team comprised of colleagues from the former Virgin Media and O2 organisations. We have already started to align our policies and practices, demonstrated through the launch of our Virgin Media O2 Diversity, Equity and Inclusion strategy – “All In”.



At Virgin Media O2, we have an aligned Code of Conduct, which sets out a clear commitment to our people:

- All aspects of diversity and inclusion are important to us – we’re creating a workplace where everyone belongs.
- We support our employees’ professional development.
- There is no place for harassment in the workplace – everyone should feel safe.

To support our new Code of Conduct, we launched a mandatory training programme in early 2022 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. Since launch, over 13,000 people who work for Virgin Media O2 – both employees and non-employees – have completed the training, with remaining workers scheduled to complete later in the year.

We have established whistleblowing channels to encourage our people to speak out about concerns that violate the Code of Conduct. Concerns can be raised via the Speak Up portal, via telephone or email, and can be raised anonymously. Depending on the issue, an investigation will then be carried out by either the Internal Audit, Fraud and Security, Case Resolution or Competition Law teams.

Additionally, we have rolled out Modern Slavery Awareness training, provided by external modern slavery experts. The 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. The objective of this training programme is for our people to achieve the following:

- Have an awareness of modern slavery and labour exploitation and why it is important to Virgin Media O2.

- Be able to recognise the signs and indicators of modern slavery and labour exploitation and understand the actions to take to report a concern.

We view the level of internal modern slavery risk to be very low.



Supply chain modern slavery risk management activities

Our supply chain is partly shared with our shareholders, [Liberty Global Plc](#) and [Telefónica SA](#), and by the telecommunications sector more broadly, so we benefit from the supplier management activity of the sector as a whole as well as our shareholder organisations.

Although Virgin Media O2 was only launched in June 2021, its primary operating businesses O2 and Virgin Media already operated similar approaches to the management of supply chain modern slavery risks. Both companies adopted a risk-based approach to supplier management overall, and the risk of modern slavery more specifically. Common elements of the strategies included committing suppliers to a strong supplier-facing code of conduct that prohibited forced labour and trafficking, and using EcoVadis assessments for suppliers presenting heightened risk due to their sector and geography. EcoVadis is an assessment methodology that provides business sustainability ratings and is widely used by leading telecommunications companies: it assesses a supplier’s policy and process to manage sustainability and qualifies it in several key areas.



Early in the formation of Virgin Media O2, we adopted a common approach to sustainability and modern slavery risk management across the whole supply chain, incorporating the best elements of our combined approach. The principles we now use to guide our response to modern slavery risks are as follows:

- We treat the risk of modern slavery risk as a sustainability risk and manage it through our general supply chain sustainability management efforts.
- We place clear requirements in all contracts and tenders that prohibit any form of forced labour or trafficking.

The size of our extended supply chain, and the limited visibility of its lower tiers mean that we cannot rule out any risk of modern slavery deep in our supply chain.

This risk varies according to the nature of the supplier’s activity and its location, so these are the factors we use to assess the level of risk. Where we judge that the suppliers represent a heightened sustainability risk, we conduct general sustainability due diligence, and where we judge modern slavery to be a specific risk we conduct modern slavery risk management reviews.



Supply chain modern slavery risk management activities

Our approach to modern slavery risk management is as follows:



1. We start with clear contractual terms that prohibit any form of forced labour and require all suppliers to produce modern slavery statements on request.

2. In tenders, we review the position taken by bidding suppliers to ensure they can adhere to our sustainability requirements, including their approach to modern slavery risk management.

3. With suppliers that have a heightened sustainability risk due to the nature of their activity or location, we require them to maintain an EcoVadis scorecard. We have set EcoVadis score levels, including a lower limit below which we will not trade with a supplier, and a higher level below which we will require the supplier to have an improvement plan as a condition of business placement. This provides a mechanism to drive ongoing supplier improvement.

4. With selected suppliers we hold sustainability reviews that include a focus on modern slavery risk management.

5. Additionally, we audit suppliers at various levels of the supply chain (both pre- and post- contract) to ensure they are respecting our supplier-facing ethical code. This includes the management of modern slavery risks. We do this either directly, or through the Joint Audit Co-operation ([JAC](#)) - the association of telecoms operators that works to establish sustainability standards in the information and
- communications technology (ICT) supply chain - or other independent third parties.

6. We review our suppliers to identify those that we view as having a heightened risk of modern slavery due to their sector of operation or their operating geography, and assess a sample of such suppliers to understand specifically how they manage modern slavery risks. We check that the suppliers:

- Have published a modern slavery statement, aligned with the 2015 Modern Slavery Act. Our contractual terms require suppliers to produce a statement upon request.
 - Operate appropriate internal policies and a supplier code of conduct that addresses modern slavery and its enablers i.e. that they have:
 - a policy of compliance with the law; established labour contracts; no worker fees; working hours controls and associated reporting; not consistently infringed our working hours limits as defined in our supplier-facing ethical code; salaries aligned to legal norms; defined disciplinary processes that prohibit fines; no deposits or ID document holding and that employees are free to leave following notice; no child labour; no curfews; a clear grievance process; and a clear policy that prohibits forced labour and trafficking.
- Can identify their risk areas, considering activity and location.
 - Plan and implement due diligence in high-risk areas and drive improvements as needed.

As with all our due diligence processes, where we find weaknesses we require improvement actions and reserve the right to terminate contracts where suppliers repeatedly fail to make the required improvement. To date, this has not been necessary.

COVID-19 pandemic

The COVID-19 pandemic has resulted in very little direct on-site supplier activities: we have mainly relied on administrative due diligence activities in the last 12 months and leveraged the JAC sector initiative.

Specifically, we have:

- Reviewed modern slavery risk management with our uniform suppliers due to their sector and the geography included in their extended supply chain.
- Held sustainability and modern slavery reviews with selected infrastructure and service suppliers.
- Reviewed modern slavery risk management with some of our local construction suppliers, directly and via third parties focused by their operating sector.
- Worked with the JAC Human Rights working group and Telefonica to investigate allegations of modern slavery related to the Uighur Muslim community from Xinjiang and brands in our extended supply chain, and to develop a sector position to human rights management.
- Leveraging our shareholder Telefonica and JAC, we have benefited from a number of the 71 supplier audits in the sector in 2021.



Our approach to supplier engagement

Step 1

All suppliers must accept our codes of conduct and the Virgin Media O2 Quality and Sustainability Requirements which make the provision of a modern slavery statement by suppliers mandatory, even when suppliers are not within the scope of the MSA

Step 2

High sustainability risk suppliers are identified by considering the nature of their activity, operating location and visibility.

Selected high risk suppliers are subject to administrative tender assessments.

High risk suppliers must have an EcoVadis scorecard.

Step 3

Selected major suppliers are subject to periodic in-contract sustainability reviews – so we can assess how well they are delivering against our sustainability requirements and any additional specific commitments they have made as a condition of our business placement with them.

Step 4

Risk-based due diligence is conducted ranging from administrative reviews and on-site audits via JAC, to other competent third party of selected suppliers.

Step 5

Suppliers representing a heightened modern slavery risk by virtue of their sector of operation or location are required to provide modern slavery statements as outlined by the Modern Slavery Act (even if not subject to the Act) and are subject to detailed modern slavery risk management reviews.

Conflict materials

<div>Sn</div> <div>Tin</div>	<div>W</div> <div>Tungsten</div>	<div>Ta</div> <div>Tantalum</div>	<div>Au</div> <div>Gold</div>
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Tin, tungsten, tantalum and gold are essential to all modern electronics, and their extraction is a recognised source of modern slavery risk because they can be mined and/or smelted in conditions of armed conflict and human rights abuses.

Although we do not have direct relationships with smelters or refiners, we work actively to strengthen controls over the use of these minerals across our value chain and we have adopted a policy based on the guidelines set out by the OECD (Organisation for Economic Co-operation and Development) – ‘Due Diligence Guidance for Responsible Supply Chains for Minerals from Conflict-Affected and High-Risk areas’. Our policy considers the five stages set out in the guidance and transfers them to our suppliers at a Telefonica Group level.

Our policies

We have several internal and external policies that address modern slavery within the operations and supply chains of both Virgin Media and O2. Over the coming year, we will align and unify these policies; however, as they stand today, they clearly prohibit any form of forced labour and demonstrate our commitments to employee and human rights.

Virgin Media O2 Code of Conduct policy

Our code of conduct sets out our ethical standards and our commitments to our people and suppliers and applies to all directors, employees, subsidiaries, agents, representatives, consultants and independent contractors acting on behalf of Virgin Media O2 or any of its subsidiaries.

It prohibits forced labour, threats, coercion, abuse, discrimination, violence or intimidation in our working environment and guarantees the right of employees to belong to the trade unions. It establishes our expectation that suppliers must agree to our applicable policies on responsible procurement and supply chain principles - including employment standards; ethics; health and safety; and environment and sourcing. It also reinforces our commitment to work with our suppliers to assess their risk and performance on environmental, social, and ethical activities, including human rights. It confirms our commitment to human and employment rights, including those contained in the United Nations Universal Declaration of Human Rights, and the principles related to the rights recognised by the International Labour Organization and its Fundamental Conventions.



Virgin Media O₂ quality and sustainability requirements

All Virgin Media O2 suppliers are required to provide an annual statement detailing the measures taken to ensure that requirements on health and safety; forced labour and trafficking; and on child and young person labour are respected within its operations and supply chains. The provision of this statement is a prerequisite of business award, both initially and on an ongoing basis.

Additionally, we operate the following policies within our business:

External Telefonica policies	External Virgin Media policies
<div><p><u>Supply Chain Sustainability Policy</u></p><p>Applies to all suppliers and must be carried forward by our suppliers into their supply chains, either directly or via their respective ethical codes.</p><p>On forced labour and trafficking, it prohibits:</p><ul style="list-style-type: none">Any form of involuntary or forced labour.Physical abuse or discipline, as well as the threat of physical abuse, sexual harassment of any other kind, verbal abuse or other forms of intimidation.<p>And it requires that the supplier:</p><ul style="list-style-type: none">Operates a defined policy and process to ensure that slavery and human trafficking is not taking place in any of its supply chains, or in its own business.Cannot oblige workers to provide deposits or identification documents and that they shall be free to leave their employment after reasonable notice.Identifies and prohibits practices that are often the enablers of forced labour.</div>	<div><p><u>Human Rights Policy</u></p><p>Applies business-wide, it is based on the United Nations Guiding Principles on Business and Human Rights and underlines that we:</p><ul style="list-style-type: none">Prohibit any form of forced labour, slavery or human trafficking within our operations and require risk-based due diligence to minimise any possible risk in our supply chains.Extend the responsibility to respect human rights to our business partners and suppliers. Requiring high performance levels from our supply chain – in labour, environmental and health and safety conditions – helps us get the best result to drive improvements and mitigate the risks related to abusive behaviour in business relations.Respond to some of society’s most relevant needs, with due consideration to Human Rights through our products, services, and knowledge of the challenges of the local communities.Undertake to explore all relevant opportunities for participation or alliance with external stakeholders to enable us to promote systemic changes and respect for human rights.</div> <div><p><u>Virgin Media Supplier code of conduct</u></p><p>Applies to all suppliers and must be carried forward by our suppliers into their supply chains, either directly or via their own ethical codes.</p><p>On human rights and labour conditions, modern slavery and human trafficking:</p><p>Virgin Media takes a zero-tolerance approach to modern slavery and human trafficking and expects our suppliers to do the same. Employees should not be subjected to servitude, forced and compulsory labour or human trafficking. Employees should have the freedom to work for their employer and to leave the company after they’ve given reasonable notice. We expect all suppliers to meet the disclosure requirements under the Modern Slavery Act 2015 and to undertake the necessary due diligence to ensure that there is no modern slavery or human trafficking in their operations and supply chains.</p></div>

Internal policies

Within Virgin Media O2 we have a range of People policies, including policies on Parental and Dependants Leave and Maternity, Paternity and Adoption Leave, that make our operating business workplaces of choice.



Communication and training

- As previously referenced in the section “Managing Modern Slavery Risk within our Operations”, all employees receive training on the Virgin Media O2 Code of Conduct, and we provide additional training on tackling modern slavery in Virgin Media O2, which is accessible for all employees and mandatory for some of our supplier-facing employees.
- We use Workplace (our internal social media platform) and our intranet platforms to promote this training and to keep our people aware of modern slavery and the need to manage modern slavery risks.
- Suppliers with whom we have reviewed modern slavery risks receive guidance and training through the review process.
- As part of the integration of our policies and procedure, we launched a new Code of Conduct compliance learning module. Over 75,000 mandatory compliance learning modules, at a completion rate of 97.8%, were undertaken during the reporting period.

Collaboration

- Our primary operating business and parent companies work with several organisations and initiatives to drive responsible business practices and sustainability across our business and sector. 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, environmental and anti-corruption standards. We are longstanding signatories of the UN Global Compact and include its principles in our ethical code.
 - The Joint Audit Cooperation – 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 use this particularly with regards to the O2 business supply chain.

Raising concerns

We have Virgin Media O2 whistleblowing channels for our people and Telefonica and Liberty Global 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. All communications received

are treated in accordance with the principles of respect and confidentiality and are managed by our compliance team. In 2021 we received no indications of concerns relating to forced labour or trafficking via external or internal channels.

Approvals

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

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

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


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