

giffgaff Limited– Section 172(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 when taking principal decisions of strategic importance which are significant to any of our key stakeholders.

Introduction

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.

The Directors of the Company (which consists of the giffgaff CEO and members of the VMED O2 Senior Leadership Team) are supported by the Company's Leadership Team in discharging the statutory duties in the best interest of the Company and VMED O2. For administrative efficiencies, key stakeholder engagements are conducted at group level led by members of the VMED O2 Executive Management Team as Executive Sponsors (Executives). We find that this is the most efficient and effective approach and helps us achieve a greater positive impact on environmental, social and other issues that are relevant to our business. With the support of VMED O2, giffgaff has continued to balance profit, planet and people with our B Corp certification in mind. Certified B Corporations are companies verified by B Lab (a non-profit organisation) to meet high standards of social and environmental performance, transparency and accountability.

Some examples of how we considered matters of concern to our key stakeholders including the outcomes are detailed below:

Members

Our member base comprises of consumers. Member satisfaction is essential to our long-term success and putting our members first is, and will always be, a foundational strategic priority for the Company. The business remains increasingly focused on meeting and exceeding members needs as the household economic outlook continues to prove challenging.

Topic	How we engage and monitor	Outcomes
<p>Providing high quality and reliable connectivity including product expansion.</p> <p>Ensuring that our members are well served in every interaction with us.</p> <p>Building a connection with members to make them feel valued through member schemes.</p> <p>Continued macroeconomic challenges for consumers and businesses</p>	<p>How we engage:</p> <ul style="list-style-type: none"> • giffgaff works with its members to source ideas and feedback and provide frontline service support through its community. • Pioneers insight platform which included member surveys, discussions and workshops. <p>How we monitor:</p> <ul style="list-style-type: none"> • Member insight from NPS • Member insight from giffgaff community forums and social media. • Insight gathered from research, surveys, panels and workshops for members 	<p>In 2024 we completed the IMS migration which enables VoLTE (Voice over LTE) and Wi-Fi calling allowing members to benefit from improved call quality.</p> <p>We built the technical and operational foundations for our new strategic product, broadband and launched initial member trials.</p> <p>We maintained our no mid-contract price rises and flexibility to move up and down our tariff range monthly.</p> <p>We paid back over £1 million to our members through payback schemes.</p> <p>Awarded winner of best PAYG Network 2024 by USwitch.</p>

Suppliers

We rely on several partners for many aspects of our operations, in particular the provision of products and services to our members. The Directors and Leadership Team recognise that effective management of suppliers is important to the business reputation and long-term success of the Company. The Company leverages off the procurement processes of our ultimate parent, VMED O2.

Topic	How we engage and monitor	Outcomes
<p>Supply continuity and protecting service quality against a volatile geopolitical background.</p> <p>Working with our partners and the sector to tackle climate change.</p> <p>Strengthening, clarifying, and consolidating our supply chain standards and expectations of suppliers.</p>	<p>How we engage:</p> <ul style="list-style-type: none"> • We continue to ensure our suppliers adhere to VMED O2 Supplier Code of Conduct that is used by all entities in the group. • 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. • 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. • We continued assessing our 2024 supply chain emissions and we are continuing to engage our suppliers on emission reduction. <p>How we monitor:</p> <ul style="list-style-type: none"> • Operational Processes and Supply Chain is one of our principal risks on our risk register, and forms part of quarterly reporting to our Leadership Team • We continue to practice risk-based supply chain sustainability due diligence working independently, with our ultimate parents and with sector initiatives to ensure compliance with our standards and to develop sustainability in our supply chains. 	<p>Despite the volatile geopolitical background, our supply chains have proven to be resilient, and we have successfully maintained supply and customer service quality. Key to this success is willingness to work proactively with suppliers to address any issues that may impact quality or their ability to deliver as planned.</p> <p>We worked with leading sustainability resources within the sector to target and engage suppliers that make the greatest contribution to our carbon footprint, establishing emission baselines, and solution level emission reduction plans with them. Where possible we have ensured the reduction plans are underpinned by solution life cycle assessments.</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>

People

Our people are core to the continuing success of our business and the wellbeing of our people is important to us.

Topic	How we engage and monitor	Outcomes
<p>Employee retention and commitment.</p> <p>Diversity, Equity and Inclusion (DE&I).</p> <p>Wellbeing, health and safety</p>	<p>How we engage:</p> <ul style="list-style-type: none"> • DE&I cultural calendar and updates in the Company's weekly meeting. • Workplace, an interactive social platform enabling two-way communication. <p>How we monitor:</p> <ul style="list-style-type: none"> • Annual Gallup Q12 engagement survey to understand the views and perceptions of employees. • Annual employee performance reviews. 	<p>Continued to increase awareness of the Company's DE&I strategy.</p> <p>Our Q12 employee engagement score increased to 4:14 out of 5 and we saw an improvement on our engaged employee ratio rising to 10.40 (2023: 7.43) engaged employee to every 1 disengaged employee.</p> <p>2024 annual salary review was a flat rate increase across all eligible employees. Furthermore, we continued to reward employees based on both company and personal performance metrics.</p> <p>In collaboration with VMED O2 we launched new policies to reinforce our zero-tolerance stance on discrimination, bullying and harassment.</p>

Regulators

Our regulators direct how we deliver on our business strategy and provide services to our members at affordable prices in a competitive market whilst considering the wider economic challenges impacting businesses and members.

Topic	How we engage and monitor	Outcomes
<p>Monitor relevant regulatory developments and take appropriate measures.</p>	<p>How we engage:</p> <ul style="list-style-type: none"> • We respond and engage with Ofcom both directly through consultations and in correspondence to assist them in the development of the UK's mobile strategy. • We engage constructively with the ICO in relation to any enquiries we may receive from the regulator under relevant data protection law. • We respond and engage constructively with the FCA in relation to any enquiries arising from our routine returns or any other relevant matter. <p>How we monitor:</p> <ul style="list-style-type: none"> • Dedicated teams monitor the requirements that are applicable to us. Any changes to regulation are communicated and acted upon to ensure ongoing compliance. • The use of regular risk reviews, compliance monitoring and internal audit activities reinforce our operations. 	<p>Ongoing engagement and discussions with Ofcom on a range of issues affecting the mobile industry.</p>

Other measures taken

Regular updates are provided by the Company to the VMED O2 Board and the Executive Management Team (including the Directors of the Company) to help them understand the interests and views of VMED O2's key stakeholders and other relevant factors, which ensures that the Directors and Leadership team can take them into account when making decisions and can comply with their section 172 duty to promote the success of the Company.

At the beginning of 2024, the Leadership Team considered and set Company objectives, with associated key results (that would indicate the fulfilment of an objective) ("OKRs"). These covered: (i) hitting in year financial and member growth targets; (ii) member experience by extending the giffgaff product portfolio and offerings; (iii) maintaining regulatory compliance; and (iv) increasing future platform technology capability to enhance service for members and were therefore closely aligned with the Section 172 duties. The Company OKRs were shared with all giffgaff people and constantly reviewed by the Company's Leadership Team throughout the year, who shared companywide progress updates monthly.

To further ensure compliance with their Section 172 duties (and appropriate governance more generally) the Directors and the Leadership Team follow an electronic contract approval mechanism. This requires all commercial arrangements to be explicitly approved by the Leadership Team, with the Section 172 requirements explicitly flagged during the approval process to the relevant Director or Leadership Team member (who by giving their approval, indicate that they are acting in accordance with the duties).

Additionally, bi-monthly Assurance Forum meetings and quarterly Risk Forum meetings are held with the Leadership Team to provide oversight of key risks and issues relating to the long-term success of the Company. This provides the Chief Executive Officer and his Leadership Team the clear facts to allow them to fulfil their Section 172 duties and take strategic decisions with full knowledge of the business health and risks. During the year the Company has also continued to enhance its risk management framework, giving clearer and more comprehensive risk management insight to the Leadership Team and to the Company's shareholder.

Conclusion

All the above measures ensured that Section 172 duties have been met and that strategic decisions happened with full oversight of the Directors and the Leadership Team, enabling the Company and its people to remain true to the Company's purpose.