Section 172 Statement

Section 172 of the Companies Act 2006 requires the Directors to each act in a way they consider, in good faith would most likely promote the success of the Group and Company for the benefit of its members as a whole, and in doing so have regards to a range of factors set out in section 172(1)(a)-(f) in the Companies Act 2006.

(a) the likely consequences of any decision in the long term;
(b) the interests of the company's employees;
(c) the need to foster the company's business relationships with suppliers, customers and others;
(d) the impact of the company's operations on the community and the environment;
(e) the desirability of the company maintaining a reputation for high standards of business conduct; and
(f) the need to act fairly between members of the company.

In discharging this duty, we have regard for these factors taking them into consideration when decisions are made. For administrative efficiencies, key stakeholder engagements are conducted at an operational level led by the Executive sponsor for each business area.

Key engagements and decisions taken are described below.

Topics	Engagement and monitoring	Outcomes
<u>Customer</u> Value and Affordability for our customers Reliable Coverage and Network Experience Outstanding customer service Online safety, digital inclusion and accessibility	**Engagement** We stay close to our customers through our extensive retail network and customer service channels. Connecting with customers through regular focus groups and customer listening sessions. **Monitoring** Customer feedback, identifying pain points to drive improvements in customer satisfaction. Customer insight from NPS and social media communities. Analysing feedback data using Tesco customer segmentation methodologies.	Exclusive Clubcard-only mobile deals, reinforcing our commitment to delivering everyday value to Tesco shoppers including fixed prices for customers on a Clubcard Prices tariff. Integration of Tesco Clubcard with our mobile services, allowing customers to earn and redeem points more easily. Extending free EU roaming into 2025, enabling them to continue using their allowance of calls, texts and data in 48 European destinations. Partnering with Internet Matters to raise awareness around online safety and providing practical, real-world help to parents, carers and teachers.
<u>Employee</u> Colleague engagement Talent and resourcing Diversity, Equity and Inclusion Health and wellbeing	**Engagement** Quarterly meetings and monthly colleague calls, led by the executive team across all corporate sites, provide updates on performance, strategy and ongoing projects, along with opportunities for a colleague Q&A. News and Views is an internal online platform that supports engagement and communication across the business. Our Quarterly Workforce and Talent Planning (QWP) cycle ensures robust processes are in place to support skills development, career progression, and future workforce planning. A company-wide DE&I cultural calendar includes educational and upskilling sessions for all colleagues, along with a variety of inclusive activities throughout the year. Health and wellbeing initiatives are also integrated into this programme. **Monitoring** We analyse results from the bi-annual Have Your Say survey to gather feedback on a wide range of topics and better understand employee views and perceptions. Annual performance reviews support individual development and align employee goals with business priorities.	Celebrate diversity across the business by actively living our value of We Are Unique Together. To support employee development, we introduced the Udemy learning platform, offering a wide range of educational content. We also launched the Women's Development Community, career navigation sessions at all corporate sites, and a new career guide. Our robust QWP and Strategic Talent Planning cycles focus on aligning talent with business value and supporting progression. We foster a collaborative culture through our core behaviours: We Thrive Together, We Are Unique Together, We Get Things Done, and We Are Brave Together.

Section 172 Statement (continued)

Topics	Engagement and monitoring	Outcomes
Supplier Business continuity amid geopolitical uncertainty Safeguarding service quality and cost optimisation	**Engagement** Ensure ongoing discussions with key suppliers through day- to- day and contractual service review meetings. **Monitoring** Proactive supplier monitoring framework, providing regular alerts and visibility to business owners. Flagged risks are reviewed routinely within the Group's risk management process, ensuring timely action and supplier continuity. Supplier dashboard allowing contract owners to monitor through financial insights along with an array of insight related to risks such as Sanctions, Environmental Social Governance, Operational and legal.	Enhancements have been implemented in the purchasing process to strengthen resilience, improve governance and manage supplier relationships. Improvements include the integration of shared service resources, providing greater visibility into purchase order status and progress, enabling enhanced accountability for supplier management and cost optimisation. Maintains heightened vigilance in supplier management, assessing risks and performance as needed. Alternative providers considered where appropriate to ensure operational resilience and service continuity.
Regulators Monitor relevant regulatory developments and take the appropriate measures Customer affordability	**Engagement** We respond and engage with Ofcom both directly and through consultations and in correspondence to help them assist with the development of the UK's mobile strategy. We engage with the ICO in relation to any enquires under the relevant data protection law. We regularly engage with the FCA in response to queries from our periodic regulatory submissions and implementation of new requirements **Monitoring** Dedicated teams monitor the requirements that are applicable to us. Any changes to regulation are communicated and acted upon to ensure ongoing compliance. Regular risk reviews and compliance monitoring help reinforce the integrity of the business.	Continued discussions with Ofcom on a wide range of issues impacting the mobile industry including roaming, CPI and affordability. Fixed prices on Clubcard Prices tariffs continued to be offered in 2024 giving customers certainty over future pricing and maintain a level of affordability. We continue to work through evolving FCA requirements and consultations, including Consumer Duty, Product Sales Data (PSD) reporting, and the Telecoms Market Review, which assesses how providers manage credit-related responsibilities amid the rise of loan-based device financing.

The Directors are of the opinion that they have fulfilled their statutory obligations under Section 172. This has been achieved through decision-making at periodic Board meetings and adherence to the Group's governance process. The Group's key stakeholders are customers, employees, suppliers, shareholders (joint venture partners), regulators, lenders, and the wider community. The Board recognises its duty to act fairly between members of the company, and regular meetings are held throughout the year to ensure both shareholders are updated on current and future performance.

Engagement with the community and broader societal impact is referenced in the Directors' Report under the Group's broader purpose. This includes initiatives supporting online safety, digital education, and charitable partnerships with organisations such as Internet Matters and the Trussell Trust. Environmental matters are addressed in the SECR section of the Directors' Report.

The Board also recognises that lenders are key stakeholders in the long-term success and financial resilience of the business. Regular, constructive engagement has been maintained throughout the year through the ongoing management of the Group's securitisation and working capital facilities. Further details of stakeholder engagement and how these are taken into account in decision-making are provided in the Directors' Report.

The Strategic Report has been approved by the Board on 25 July 2025

By order of the Board

Matthew Ward
25 July 2025

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