



Introduction

This Section 172 statement applies to Tesco Mobile Limited. The company is a joint venture owned equally by the Tesco Plc Group and Virgin Media O2 UK Limited. The Company was 50% owned by Telefonica SA prior to the completion of the merger of Telefonica SA's UK business with Liberty Global's Virgin Media UK business to form the new 50:50 joint venture called Virgin Media O2 on 1st June 2021.

The principal activities of the Company during the year were the provision of prepay and postpay mobile communications and related services to consumers under the Tesco Mobile brand, using the Tesco retail network for handset distribution and subscriber acquisition, and Telefónica's mobile communications network for airtime and related services. At end of 2020 Tesco Mobile had over 5 million customers and more than 511 retail stores.

Section 172 of the Companies Act

Section 172 of the Companies Act requires the Directors to each act in a way they consider, in good faith would most likely promote the success of the 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.

Factors taken into consideration

In discharging this duty, the Company has regard for these factors taking them into consideration when decisions are made. The factors are as follows:

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

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 Company's governance process. The Company's key stakeholders are customers, employees, suppliers, shareholders and the wider community. The Directors' Report within our statutory accounts provide further details of stakeholder engagement and how these are taken into regard when making decisions.