



## **Virgin Media O2 Reporting Criteria 2022**

### **Introduction**

The data indicators described in this document cover the year 1<sup>st</sup> January 2022 to 31 December 2022, in line with our financial reporting unless stated otherwise.

All data relates to the direct operations of Virgin Media O2 Ltd and covers performance data for our most material issues.

The management of the reporting process and collation of data is the responsibility of the Sustainability Team who work with a number of indicator owners across the business to produce.

Our data indicators are subject to external assurance.

### **Reporting policy**

Our reporting policy is guided by the following principles:

- **Relevance:** identifying the data sources and reporting outputs that meet the needs of users
- **Completeness:** ensuring data provided is comprehensive and reflects the reporting boundary with estimations used where necessary. In the case of emissions, only excluding sources with good justification that cumulatively account for less than 5% of the total footprint
- **Consistency:** using the same hierarchy of data sources, for example, using the same methodologies to calculate emissions or highlighting where changes have been made, updating historic emissions where new approaches or data sources result in a change in historic emissions of 5% or more (per scope)
- **Transparency:** reporting all data sources, data estimation methods, assumptions, exclusions, historic recalculations, and anything else that adds to the interpretation of results
- **Accuracy:** for example, prioritising actual activity data, then estimated data, then average data, then financial data to calculate emissions, using the most accurate and relevant (in terms of geography, technology, time, completeness and reliability), using activity data at the most granular level available, recording areas to improve accuracy in subsequent data collection and emissions calculations

To ensure consistency in our data, we have applied a hierarchy of data sources. For example, using the same methodologies to calculate the metrics or highlighting where changes have been made. In some cases, estimates will be required to be made as actual data is missing or not readily available. For example, where metered data or utility invoices are not available, estimates may be calculated using previous consumption data.

## **Emission Reporting Boundaries**

Virgin Media O2 defines its reporting boundary using the operational control method, which aligns with the consolidation approach taken for financial reporting. For the 2022 calendar year, this includes the following entities:

<b>Name</b>	<b>Accounting category</b>	<b>Consolidation of emissions (control approach)</b>	<b>Notes</b>
Giffgaff	Group company / subsidiary	100% of GHG emissions	100% of giffgaff's emissions are consolidated in respective scopes
Cornerstone Technology Infrastructure Limited (CTIL)	Non-incorporated joint venture/ partnership/ operation where partners have joint financial control	Equity share of GHG emissions (50%)	100% of scope 1 & 2 emissions associated with the technical sites that form the VMO2 network are allocated to VMO2; the scope 1 & 2 emissions that are not related to technical sites that should be allocated to VMO2 have been excluded due to lack of available data and materiality (50% of estimated 88 tCO <sub>2</sub> e, equivalent to <0.01% of VMO2 total emissions)
Direct Marketing Services Limited (DMSL)	Non-incorporated joint venture / partnership / operation where partners have joint financial control	Equity share of GHG emissions (25%)	Emissions have been excluded due to lack of available data and materiality (0 tCO <sub>2</sub> e for scope 1 & 2 as the company doesn't have any physical sites or assets, 25% of estimated 23 tCO <sub>2</sub> e for scope 3 from c.35 homeworking employees with limited travel, equivalent to <0.01% of VMO2 total emissions)
Tesco Mobile	Associated / affiliated company	0% of GHG emissions	Tesco Mobile's scope 1 & 2 emissions are zero as its energy consumption falls within the reporting boundary of the other shareholder, Tesco, therefore there are no relevant emissions

## **Climate Change**

In line with the Greenhouse Gas (GHG) Protocol, our emissions have been calculated in carbon dioxide equivalent (CO<sub>2</sub>e) using the latest emission factors from Defra, with the exception of the residual electricity mix factor from the AIB.



2021 carbon figures have been restated in line with Virgin Media O2's environmental reporting policy. A more accurate electricity consumption estimation approach for masts operating on third party sites has been implemented and backdated. In addition, the residual electricity grid mix emissions factor is now being used instead of the average grid mix factor for non-renewable consumption in third-party sites, resulting in an increase in emissions factor. For example, in 2022 the residual mix factor was 82% higher than the average mix factor. This reflects the latest guidance in the Greenhouse Gas Protocol.

The following emissions sources are in scope of the reporting boundary. All relevant greenhouse gases are included unless otherwise stated.

### **1. Direct Emissions - Scope 1 and 2 (location-based and market-based) combined for Virgin Media O2**

The data indicator reports direct emissions (Scope 1) from fuel consumption and leakage of refrigerant gases in our operations, as well as indirect emissions from secondary energy sources (Scope 2).

#### **Scope 1 (direct)**

Emissions come from sources that are company owned or controlled, including:

- static combustion (i.e. fuel used in generators for power and gas used in boilers for heating);
- mobile combustion (i.e. vehicle fuel from company owned or leased fleet); and
- coolants and propellants used (i.e. in air conditioning units and fire suppression systems).

This information is collected via company fuel cards, business travel expenses, third party reports, invoices, and site visits.

#### **Scope 2 (indirect)**

Emissions come from purchased energy, including:

- purchased electricity;
- heat and steam.

This information is collected in electricity consumption invoices, co-location service invoices (i.e. where electricity is estimated by market operations), on-site meters or inverters.

Scope 2 emissions are calculated for both the location-based (using grid-average emissions intensity) and market-based (using supplier-specific emissions intensity) methods. To calculate the market-based emissions, the residual mix from the AIB is used where the supplier is unknown (for O2 cell sites).

Market-based emissions have been calculated including the impact of 53,000 Mwh of Renewable Energy Guarantees of Origin (REGO's) for which we have agreed the purchase but have not yet completed the transactions. Management expect to complete the purchase by the end of June 2023.



## **2. Tonnes of CO<sub>2</sub>e (Scope 1 and 2 - market and location based) – Virgin Media UK**

As above but for the Virgin Media UK side of the business only, excluding O2 emissions.

## **3. Tonnes of CO<sub>2</sub>e (Scope 1 and 2 - market and location based) per Terabyte data – Virgin Media UK**

We measure our Scope 1 and 2 market-based emissions per terabyte (TB) of data traffic generated as we run our networks and customers use our services. This calculation reflects internet protocol (IP) based data traffic from fixed broadband services, such as web browsing, IP streaming of video and voice services. Currently, our intensity calculations do not take into account data traffic generated through non-IP-based and non-cable services. These services include analog television, asymmetric digital subscriber line (ADSL) and others, because power consumption does not reflect the actual traffic generated by customers through use of these services. We intend to convert all non-IP based services to IP-based over the next 10- 15 years. As we migrate to full IP, our intensity metrics will reflect an increasing proportion of our total services, eventually covering our entire service offerings.

## **4. Tonnes of CO<sub>2</sub>e (Scope 1 and 2 market and location based) per Petabyte data – combined Virgin Media O2**

As above but converted to Petabytes. The volume is combined across Virgin Media O2.

## **5. Tonnes of CO<sub>2</sub>e (Scope 1 and 2 market and location based) per Fixed Line Customer – Virgin Media UK**

This indicator is calculated using the same method for scopes 1 and 2, then normalised by number of Fixed-line customer relationships as reported in our annual report and accounts. The data captured is only the Virgin Media side of the business, excluding O2 emissions. The source of the data is the billing systems ICOMS and Netezza.

Fixed-Line Customer Relationships: The number of customers who receive at least one of our broadband, video or telephony services, without regard to which or to how many services they subscribe. Fixed-Line Customer Relationships generally are counted on a unique premises basis. Accordingly, if an individual receives our services in two premises (e.g., a primary home and a vacation home), that individual generally will count as two Fixed-Line Customer Relationships. The data excludes mobile-only customers from Fixed-Line Customer Relationships

## **6. Percentage reduction % in Scope 1 and 2 emissions against baseline (market and location based) combined for Virgin Media O2**

This indicator relates to the percentage reduction in scope 1 and 2 emissions for combined Virgin Media O2 against the 2020 baseline. The 2022 emissions data has been assured as well as the percentage reduction however the restated 2020 baseline has not been subject to external assurance.



## **7. Tonnes of CO2e (scope 3 - business travel) combined for Virgin Media O2**

Total Scope 3 emissions for business travel, also split by land and air travel. Business travel emissions are based on the well-to-wheel approach.

For land travel, data is extracted from our company expense platform (Oracle) which includes business mileage claims for employee-owned vehicles taxi and uber claims, office shuttle buses and rail claims. Car rental data comes from a report from our rental broker Nexus.

Some rental companies used through our broker Nexus report the mileage at the start and end of a vehicle rental in order to calculate the distance travelled, however not all rental companies take these readings. To account for travel associated with rentals with these companies, we have calculated the mean distance in 2022 associated with rentals that do report mileage and applied this mean distance to rentals where mileage isn't reported.

Air travel - Flight claims recorded via a Capita report (Virgin Media) and O2 via Oracle expense claims.

## **8. Electricity use (kWh) per Terabyte data – Virgin Media UK**

This indicator is based on the total electricity consumption that underpins our scope 2 location-based emissions and is normalised by the same Terabyte data figure as described under indicator 2. Data captured is for Virgin Media UK only.

## **9. Total Energy Consumption**

Relates to the total electricity and fuel consumption used in Virgin Media O2's facilities and operations.

Fuel consumption includes consumption of natural gas, LPG, diesel, gasoline, biodiesel, ethanol, mainly in generators, vehicles, and offices. Data is collected from business fleet fuel cards, business use vehicle expense claims and generator run records.

Generator fuel consumption is recorded via an on-load test or response to a genuine mains fail. On-load tests are programmed quarterly for a minimum of one hour. Mains failures are recorded via Remedy, this records the start and stop times of the generator. Fuel consumption is calculated by multiplying the run time by the average load the generator is reporting (recorded by the Power team) by an industry average factor of 0.25 of a litre of fuel per kva of load.

Electricity consumption includes electricity consumed in our own facilities and in the facilities of third parties, excluding electricity consumed by third parties housed in our facilities. Billing and invoices from all providers and landlords are collated and reviewed. The totals provide the basis for this indicator. Due to timing of the billing cycles, November and December bills are estimates.

Reported in Megawatt hour (MWh).



## **10. Total Consumption of renewable energy**

This indicator details the total consumption of energy from renewable sources in Megawatt hour (MWh) as extracted from the total energy consumption indicator above. Renewable energy sources include wind and hydro assets where a certificate is available to confirm renewable credentials.

## **11. Total consumption (MWh) from non-renewable supplies**

This indicator details the total consumption of energy from non-renewable sources in Megawatt hour (MWh) and underpins the scope 2 market based footprint measurement.

## **12. Percentage % reduction in non-renewable consumption**

This indicator relates to the percentage reduction in energy consumption from non-renewable sources against the 2020 baseline.

## **13. Percentage of electric vehicles out of total owned and leased vehicle fleet at most recent year end**

The number of electric vehicles at year end is determined by taking the fleet list which is maintained by our third party leasing provider, and calculating the number of vehicles as a percentage of the overall fleet size. For the purposes of this KPI we define electric as meaning vehicles that require a plug-in charge. This includes both full and plug-in hybrid electric vehicles.

## **Circular Economy**

### **14. Total waste**

Refers to the total waste produced in the company and includes all waste managed regardless of the type of treatment applied. This includes all O2 and VM sites - Switch, Retail, Corporate, IT waste streams, projects, Supply chain and CTIL masts.

Corporate offices - Waste is collected daily by an outsourced facilities management partner and weighed on the vehicles. It is taken to a transfer station where it is separated for recycling, incineration, or landfill. A waste transfer notice is then provided and reported quarterly. Reported waste categories includes general waste, confidential paper, catering waste, batteries and mixed WEEE, paper/cardboard and furniture waste.

Stores waste is recovered centrally by our logistics partner at the Wellingborough site, processed and shared via a quarterly report.

All Supply chain partners provide summary waste management plans to report on waste.

Waste reports from all sources are uploaded into the Environment reporting portal.

Calculation based on the total reported waste of all of the above in metric tonnes.





### **15. Total recycled waste**

This indicator relates to the waste produced by the company to which recycling, and material recovery treatments have been applied. These treatments allow these used or worn materials to be transformed and converted into resources that can be used in other products and services, thus reducing the extraction of new material resources from the environment.

Recycled waste data is provided as part of the waste transfer notices provided in the indicator above.

### **16. Total operational waste incinerated**

This indicator relates to the amount of waste produced by the company that has been incinerated, either in refuse derived fuel or energy from waste facilities. Weights of incinerated waste are provided as part of the waste transfer notices.

### **17. Total operational waste sent to landfill**

This indicator relates to the amount of waste produced by the company that has been sent to landfill. Weights of waste sent to landfill are provided as part of the waste transfer notices.

### **Circular Actions**

Our Better Connections commitment to enable 10 million circular actions for consumers to tackle e-waste include; returning set top boxes, modems and mobile devices for recycling and re-use; repairing devices instead of replacing; purchasing refurbished devices; and, returning other e-waste, such as chargers, for responsible recycling. All data reported as a circular action are detailed under indicators 18 and 20-23.

### **18. Numbers of CPE (Set top boxes & modems) returned**

Consumer Premise Equipment (CPE) are the products which deliver broadband and TV services to customers. The figures relate to the total returned volume and are taken from internal billing and asset tracking systems.

Total customer returned volumes are provided via a monthly report from our partner, GXO.

### **19. Number of CPE (set top boxes and modems) refurbished for reuse or sent for recycling**

This indicator relates to the number of CPE (set top boxes and modems) which have been refurbished for reuse, or sent to be recycled. The figures are taken from an internal asset tracking systems.



Refurbished volumes are captured via a monthly report from our partner CTDI and reported volumes relate to completed units shipped back for re-use.  
Recycle volumes relate to units beyond economical repair and sent for disposal aligned to our responsibilities under the WEEE producer compliance scheme.

All data relating to indicators 18 and 19 are collated into a summary report.

## **20. Number of devices recycled**

This indicator relates to the total number of devices returned via O2 Recycle and Virgin Mobile Recycle schemes. This includes;

- All sales channels
  - O2 Stores
  - Online ([www.o2recycle.co.uk](http://www.o2recycle.co.uk), [www.o2.co.uk](http://www.o2.co.uk) and [www.virginmediatradein.likenize.com](http://www.virginmediatradein.likenize.com) and [www.virginmedia.com/mobile](http://www.virginmedia.com/mobile))
  - Business
  - Voice

The categories that fall under devices are; Mobile handsets, tablets, wearables and airpods. Included are devices “traded-in” (i.e customer returns their current handset and uses value towards the cost of a new device) and devices recycled (not part of another transaction).

Reported volumes relate to those physically received at the outsourced service providers warehousing facilities (excluding orders placed but not yet received).

All reports are provided by outsourced service partners.

## **21. Number of devices and other electronic waste sent for recycling**

Relates to the number of items returned as part of WEEE take back regulations. The data is reported via the O2 store systems team. WEEE regulations state as sellers of electronic equipment, Virgin Media O2 must offer a facility to take back free of charge any like for like electronic waste. This includes devices, headphones, speakers, accessories, batteries, routers and chargers.

## **22. Number of devices repaired**

This data relates to the annual volume of devices repaired via our outsourced repair partners. The reported number relates to devices processed where a repair has taken place, excluding those processed but not repaired. For example, the device is out of warranty and returned to the customer.

Devices repaired include handsets and tablets.





### **23. Number of refurbished devices sold**

Annual sales volumes of refurbished devices sold via O2's Like New proposition. This includes all sales channels and both pay monthly and pre-pay devices. A report is extracted from SO99 – the Virgin Media O2 supply chain demand planning and reporting system which details all order shipments from the warehouse direct to customers. The data originates from Virgin Media O2's warehousing partner.

### **24. Number of people benefiting from programmes in Digital skills**

Through the Virgin Media O2 partnerships with Internet Matters, Good Things Foundation and Carer's UK, the calculation refers to the volume of people who have accessed support and training each month via the Internet Matters website, registrations on Learn My Way and Carer's UK resources which include new users of digital resource centre (DRC), new users of Jointly –an app that helps carers manage their caring responsibilities and the number of people who have contacted the Helpline.

The data is collected from each of our partners via a monthly report.

Internet Matters provide support and information for parents and carers to keep young people safe online.

Learn My Way is free online course platform providing digital skills training. The platform is hosted and operated by Good Things Foundation.

Carers UK is the leading national charity for unpaid carers providing support, advocating, and connecting carers across the UK.

### **25. Number of people digitally connected through National databank, Community calling, Tech lending hubs and Essential broadband**

Through Virgin Media O2's partnership with Good Things Foundation and Hubbub, as well as our Essential Broadband proposition, the calculation refers to the volume of people that have been connected to data or devices each month. Individuals are connected via free O2 SIM cards from the National Databank, access to devices from the Community Calling and Tech Lending Hubs programmes, and connectivity from our Essential Broadband social tariff.

The data is collected from of our partners as well as internal stakeholders via a monthly report.

- The National Databank provides free O2 SIM Cards for up to 12 months to beneficiaries across the UK. SIM Cards are distributed by Good Things Foundation's network of community organisations.
- Community Calling rehomes old devices donated by the public or businesses, to individuals who need them. Each individual also receives free connectivity through the National Databank.
- The Tech Lending Community hubs make tablets and free data available to beneficiaries from 5 charities across the UK that work closely with temporary accommodation services, supporting survivors of domestic abuse, refugees, asylum seekers and those at risk of homelessness.



- Our Essential Broadband allows any new and existing Virgin Media customers facing financial difficulty and who are claiming Universal Credit to access a social tariff of £12.5 per month to stay connected with speeds of 15Mbps or £20 per month with speeds of 54Mbps. Tariffs included in the indicator are; essential broadband, essential broadband plus and essential broadband plus with stream.

## **26. Number of people supported through volunteering**

Through our Take Five employee volunteering programme, Virgin Media O2 employees have up to five paid volunteering days to give back to their local communities. The calculation refers to the volume of people supported through volunteering via the Take Five programme.

The data for the Take Five programme is collected through our volunteering log and includes:

- Employees volunteering through Neighbourly's volunteering platform; and
- Employees who have sourced their own volunteering opportunities.

Neighbourly calculates the number of people supported as: number of unique events \* average number of people supported from their community insights survey. The average number of people supported per week, per cause is calculated based on data from;

1. The platform (good causes to input this data when they sign up)
2. Grant survey applications (good causes input this data when they apply for grants)
3. Community Survey (good causes input this data when they complete the community survey)
4. Average from the community survey

Employees that have sourced their own volunteering opportunities are also recorded in the volunteering log. Employees are requested to complete the log with the number of people supported which they are required to source from the charity or cause. The number is calculated as follows:

- The figure is reported proportionately by dividing the total figure by the number of volunteers, so they are only reporting their individual impact
- Large figures or outliers (greater than 1000-people) are removed from the calculation
- Any initiatives relating to climate or non-people related volunteering activities are excluded

In 2022, the volunteering log figure was calculated for the period September – December 2022. The Neighbourly data is calculated from March-December 2022.



### **27. Percentage (%) of female representation on leadership team**

This indicator relates to the total percentage of female employees in the Virgin Media O2 leadership team as of 31<sup>st</sup> December 2022. The calculation is based on the number of female employees within the leadership team as a proportion of the total number of employees.

The leadership level is defined as L6 and above for Virgin Media and O2 levels Board, PCGR, PCGS, PCGT, PSG5, PSG6 and PSGD. This includes permanent employees (Full Time/Part Time) and fixed term contracts. Contractors and inactive payroll employees are excluded. The data is extracted from a report in the HR management system, Oracle Cloud.

### **28. Percentage (%) of female employees across the organisation**

This indicator represents the % of female staff across the whole organisation as of 31<sup>st</sup> December 2022. The calculation is made by obtaining the number of female employees as a percentage of the total number of employees. This includes permanent employees (Full Time/Part Time) and fixed term contracts. Contractors and inactive payroll employees are excluded. The data is extracted from a report in the HR management system, Oracle Cloud.

### **29. Percentage (%) of leadership from global majority groups**

This indicator relates to the percentage of employees from global majority groups in the Virgin Media O2 leadership team as of 31<sup>st</sup> December 2022. The calculation is made by obtaining the number of global majority employees within the leadership team as a percentage of total number of employees. The leadership level is defined as L6 and above. This includes permanent employees (Full Time/Part Time) and fixed term contracts. Contractors and inactive payroll employees are excluded. The data is self-reported and extracted from a report in the HR management system, Oracle Cloud.

Data mapping - If the ethnicity field has been left blank or the data is not available, the grouping is categorised as “data not available”.

If the field response is “I prefer not to say” or “undeclared/not declared”, the responses are grouped under the category “Prefer not to say”.

Global Majority is a collective term that first and foremost speaks to and encourages those so-called to think of themselves as belonging to the global majority. It refers to people who are Black, Asian, Brown, dual-heritage, indigenous to the global south, and or have been previously identified as ‘ethnic minorities’.

### **30. Percentage % global majority employees across the organisation**

This indicator represents the percentage of employees from global majority groups across the organisation as of 31<sup>st</sup> December 2022. The calculation is made by obtaining the number of global majority employees as a percentage of the total number of employees. This includes permanent employees (Full Time/Part Time) and fixed term contracts. Contractors and inactive payroll employees are excluded. The data is extracted from a report in the HR management system, Oracle Cloud.



### **31. Number of organised training events available to the leadership team**

The number of organised training events available to the leadership team specifically relating to Sustainability up-skilling and regulatory updates.

Training events are organised by the Sustainability team using externally sourced ESG training and consultancy experts. Data regarding the event details including pre-read information, agendas and minutes are maintained by the Sustainability team.

Training is for the Executive management team and Sustainability and Responsible Business committee only. Leadership defined as Level 6 and above.

## **Sustainable Finance**

### **32. Percentage (%) of new financing raised during the year which is ESG linked.**

Refers to the % of new financing related to environmental and / or social criteria, such as green bonds and sustainability linked loans as captured in the Quantum system within the reporting year. The indicator relates to long term debt financing. The calculation is the total value of green financing as a percentage of all debt financing raised within the year.