

Virgin Media Business' Carbon Reduction Plan

July 2023

Virgin Media Business' Carbon Reduction Plan

Publication date: 20th July 2023

Background

Virgin Media Business Limited (**Virgin Media Business**) is part of the joint venture arrangement, VMED O2 UK Limited and its subsidiaries (**VIRGIN MEDIA O2 or Group**), created on 1 June 2021 which brought together the O2 and Virgin Media Businesses in the UK.

Commitment to achieving Net Zero

Virgin Media Business, as part of VIRGIN MEDIA O2, is committed to reaching net zero greenhouse gas (GHG) emissions across the value chain by 2040 from a 2020 base year. Our net zero target has been validated by the Science Based Targets initiative (SBTi). VIRGIN MEDIA O2's near-term science-based targets are to reduce absolute Scope 1 and 2 GHG emissions 90% by 2030 from a 2020 base year. VIRGIN MEDIA O2 also commits to reduce absolute Scope 3 GHG emissions 50% within the same timeframe. To claim net zero by 2040 we expect to offset the residual 10% of value chain emissions through investment in credible long-term GHG removal schemes aligned with the SBTi's Net Zero Standard.

Baseline Emissions Footprint

Baseline Year: 2020 (January to December)

Additional Details relating to the Baseline Emissions calculations

To enable target setting, a 2020 baseline has been set with the combining of Virgin Media and O2's 2020 carbon footprints.

The carbon footprint data presented is for the Virgin Media operations (under Virgin Media Inc) and has been applied to Virgin Media Business for the purposes of this Carbon Reduction Plan. Virgin Media Business is integrated into the wider business operations and relies on Virgin Media Ltd (**Virgin Media**) (an associate company within VIRGIN MEDIA O2), for key impacting areas including the network and fleet services.

Virgin Media has used a market-based footprint and is calculated in line with the GHG Protocol.

2020 carbon figures have been restated in line with Virgin Media O2's environmental reporting policy. This includes the residual electricity grid mix emissions factor now being used for non-renewable electricity consumption used on third party sites.

Baseline year emissions: 2020				
EMISSIONS	TOTAL (tCO₂e)			
Scope 1	35,070 tCO2e			
Scope 2	40 tCO2e (market based)			
Scope 3 (Included Sources as defined by the PPN requirements)	Total – 31,163 tCO2e Upstream transportation and distribution – 18,764 tCO2e Waste generated in operations – 138 tCO2e Business travel – 2,916 tCO2e Employee commuting – 9,345 tCO2e Downstream transportation and distribution – 0 tCO2e			
Total Emissions	66,273 tCO2e			

Current Emissions Reporting

Reporting Year: 2022				
EMISSIONS	TOTAL (tCO ₂ e)			
Scope 1	28,426 tCO2e			
Scope 2	0 tCO2e (market based)			
Scope 3	27,961 tCO2e			
(Included Sources as defined by the PPN)	Upstream transportation and distribution – 19,975 tCO2e			
	Waste generated in operations – 103 tCO2e			
	Business travel – 4,437 tCO2e			
	Employee commuting – 3,446 tCO2e			
	Downstream transportation and distribution – 0 tCO2e			
Total Emissions	56,387 tCO2e			

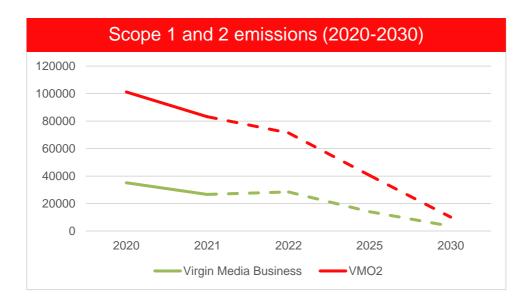
Emissions reduction targets

VIRGIN MEDIA O2 has set science-based targets across three milestones; 2025, 2030 and 2040.

	2025	2030	2040
Scope 1 and 2	60%	90%	90%
Scope 3	25%	50%	90%

On the basis that VIRGIN MEDIA O2 sees an even contribution towards target delivery across the Group we would expect Virgin Media's operational emissions (scope 1 and 2) by the end of 2025 to be 14,044 tCO2e and by the end of 2030 to be 3,511 tCO2e.

The actual and forecasted operational emissions for Virgin Media and the Group in line with our science-based targets and net zero goal can be seen in the chart below.



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

In December 2022 we became the first telecommunications company in the world to be awarded the Carbon Trust's Route to Net Zero Standard at the Advancing level. We were first awarded the Carbon Trust Standard for carbon in 2010, and in 2016 became the first organisation in the world to receive the highest-level Carbon Trust Standard for supply chain.

Virgin Media reduced its operational carbon footprint (Scopes 1 and 2) by 19% between 2021 and 2022, building on a strong track record of carbon reduction. Virgin Media continues to use 100% renewable electricity across our whole operations and network, wherever we control the bill.

During 2022 we have focused on the following initiatives:

- Welcomed the first 76 electric vehicles into our commercial van fleet.
- Continued to source 100% renewable electricity wherever we control the bill and for the first time we have purchased additional renewable energy certificates (REGOs) to match to third party supply
- Procuring more efficient equipment across all areas of the business and ensuring energy consumption is a key decision factor in all business cases.
- Beginning a three-year programme of decommissioning of legacy fixed line voice equipment.
- Auditing technical sites to identify and remove other legacy kit and consolidate products to more modern and efficient platforms.
- Proactively shutting down under-utilised 3G carriers as we move towards sunsetting of 3G technologies.
- Deploying new site monitoring capabilities to optimise technical site cooling and enable raising of set points in our data centres.

Virgin Media is a member of the RE100 and EV100 initiatives, committing us to 100% renewable electricity and electric vehicle transition, and have also joined <u>The Climate Pledge</u> - a collective of more than 200 companies and organisations which have committed to achieve net zero carbon emissions by 2040.

Finally, Virgin Media is also a founding member of the Media Climate Pact, an industry-wide initiative where it uses its Virgin TV platform to promote programming which highlights the climate crisis to help educate and inform viewers.

Virgin Media's focus for the first phase of our Net Zero plan (up to the end of 2025) are the following measures:

- Converting our vehicle fleet to electric
- Reducing emissions from fire suppression systems and air conditioning leaks in technical sites
- Driving take-back and reuse of our customers products and increasing recycled content in product design
- Working with our suppliers to ensure they have carbon reduction plans in place
- Enabling low and zero emission business travel for our people
- Investing in environmental restoration and long-term carbon storage as part of neutralising operational emissions from 2025

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard².

This Carbon Reduction Plan has been reviewed and signed off by the board of directors of Virgin Media and as applicable has adopted by the board of directors of Virgin Media Business

Signed on behalf of the Board

lutz Schweler

Lutz Schueler Director

Date: 11 July 2023

¹ https://ghgprotocol.org/corporate-standard

² https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting

³ https://ghgprotocol.org/standards/scope-3-standard