

# Virgin Media O2 Sustainability Performance Update 2024

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The information contained in this report relates to Virgin Media O2's performance against key sustainability data indicators and KPI's concerning our Better Connections Plan commitments, emissions, energy and green financing instruments.

The reporting period is the full calendar year 2024, unless stated otherwise. The criteria and methodology that supports our sustainability reporting are available on our <u>Virgin Media O2</u> <u>News</u> website.

# Our key commitments and data indicators

Our ESG strategy, the Better Connections Plan, is centred around three pillars – zero carbon future; a circular economy; and connected communities – underpinned by a better business commitment to ensure we operate in a sustainable and ethical way. Our strategy launched in 2022 and below is our performance against these commitments;

| Pillar                   | Commitments<br>and targets   | 2024 result   | Cumulative<br>progress towards<br>target since 2022 <sup>1</sup>                                    | Evaluation<br>of 2024<br>progress |
|--------------------------|--|---|---|-----------------------------------|
| Zero<br>carbon<br>future | Net zero operations,<br>products and supply<br>chain by 2040.<br>Our interim 2025<br>targets are:  | Reduction in Scope<br>1 & 2 (market-based)<br>since 2023 (%): 20*   | Reduction in Scope<br>1 & 2 (market-<br>based) against<br>baseline (%): 56*                         | •                                 |
|                          | Reduce Scope     1 & 2 operational GHG     emissions by 60%  |   |   |                                   |
|                          | <ul> <li>Reduce Scope 3 GHG<br/>emissions by 25%**</li> </ul>  | Total Scope 3 GHG<br>emissions (metric  | Reduction in Scope 3 against baseline   | -                                 |
|                          | <sup>1</sup> Emission reduction<br>targets are measured<br>against a 2020 baseline   | tonnes CO2e):<br>1,233,398*   | (%): 15 in 2023   |                                   |
|                          | Transition fleet to<br>electric vehicles<br>by 2030  | Percentage of electric<br>vehicles out of total<br>owned and leased<br>vehicle fleet as of<br>31st December (%): 8* | Percentage of<br>electric vehicles<br>in fleet - increase<br>of 4 percentage<br>points <sup>2</sup> | •                                 |
|                          | Empower customers to<br>prevent 20 million tonnes<br>of CO <sub>2</sub> from entering the<br>Earth's atmosphere and<br>supporting large-scale<br>decarbonisation by 2025 | 1.3 million~ tonnes<br>of carbon avoided<br>through our products<br>and services                                    | 60.6 million<br>tonnes of carbon<br>avoided through<br>our products<br>and services                 | •                                 |

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| Pillar                   | Commitments<br>and targets   | 2024 result  | Cumulative<br>progress towards<br>target since 2022   | Evaluatior<br>of 2024<br>progress |
|--------------------------|--|--|---|-----------------------------------|
| A<br>circular<br>economy | Achieve zero waste<br>operations and<br>products by 2025   | Total operational<br>waste (metric tonnes):<br>7,964*  | Total operational<br>waste: increase of<br>2,911 metric tonnes  | •                                 |
|                          | Recycle 95% of<br>operational waste<br>and make sure less  | Total operational waste<br>recycled (metric tonnes):<br>6,939*   | Total operational waste<br>recycled : increase of<br>2,687 metric tonnes  |                                   |
|                          | than 5% goes to<br>incineration  | Total operational waste<br>incinerated (metric<br>tonnes): 1,020*  | Total operational waste<br>incinerated: increase<br>of 253 metric tonnes  |                                   |
|                          |  | Total operational<br>waste sent to<br>landfill<br>(metric tonnes): 5*  | Total operational<br>waste sent to landfill:<br>decrease of 29.2<br>metric tonnes   |                                   |
|                          |  | Operational<br>waste recycled (%):<br>87.1*  | Operational waste<br>recycled: increase of<br>3 percentage points <sup>2</sup>  |                                   |
|                          |  | Operational<br>waste incinerated (%):<br>12.8*   | Operational waste<br>incinerated: decrease<br>of 2 percentage points <sup>2</sup>   |                                   |
|                          |  | Operational waste<br>sent to landfill (%):<br>0.06*  | Operational waste sent<br>to landfill (%): decrease<br>of 1 percentage point <sup>2</sup>                                       |                                   |
|                          | 100% of customer<br>packaging for own-<br>branded products are<br>widely recyclable and<br>contain no single use<br>plastic by 2025  |  | 100% of own-branded packaging now widely recyclable and containing no single use plastic packaging $\Delta$                     | •                                 |
|                          | Reuse or recycle 100%<br>of all returned customer<br>and network equipment   | Number of returned<br>customer network<br>equipment (CPE) repaired,<br>reused and recycled<br>(number): 2,057,146* | Number of returned<br>customer network<br>equipment (CPE)<br>repaired, reused and<br>recycled since 2022<br>(number): 5,653,841 | •                                 |
|                          | Help consumers carry out<br>10 million circular actions<br>to tackle e-waste by 2025   | Total circular actions<br>(number): 3,105,705*   | Total circular actions<br>since 2022 (number)<br>8,504,607*   | •                                 |
|                          | Circular actions include<br>returning set top boxes<br>and mobile devices<br>for recycling & re-use;<br>repairs; purchasing<br>refurbished devices; and,<br>returning other e-waste,<br>such as chargers |  |   |                                   |

| Pillar                            | Commitments 2024 result and targets  |   | Cumulative<br>progress towards<br>target since 2022  | Evaluation<br>of 2024<br>progress |  |
|-----------------------------------|--|---|--|-----------------------------------|--|
| Connected<br>communities          | Equip 6 million people<br>with skills and tools to<br>help them feel more<br>connected to our digital<br>society by 2025                                   | Total number of people<br>equipped with digital skills<br>through Internet Matters &<br>Good Things Foundation<br>(number): 2,760,841*  | Total number of people<br>equipped with digital<br>skills through Internet<br>Matters & Good Things<br>Foundation since<br>2022 (number):<br>6,108,550*  | •                                 |  |
|                                   | Connect 1 million<br>digitally excluded<br>people across the<br>UK by 2025   | Number of people<br>digitally connected<br>through National<br>Databank, Free<br>Community<br>Broadband, centres<br>connected through<br>social value contracts,<br>Community Calling,<br>Tech Lending Hubs,<br>Jangala and Essential<br>Mobile and Broadband<br>(number): 206,636* | Number of people<br>digitally connected<br>through National<br>databank, free<br>community broadband,<br>centres connected<br>through Social Value<br>contracts, Community<br>calling, Tech lending<br>hubs, Jangala, Essential<br>mobile and broadband<br>since 2022 (number)<br>372,712* |                                   |  |
|                                   | Support 1m people<br>through our Take Five<br>employee volunteering<br>programme by 2025   | Total number of<br>people supported<br>through volunteering<br>(number): 105,879*   | Total people supported<br>through volunteering<br>since 2022 (number)<br>332,129*  | •                                 |  |
| A better<br>way to do<br>business | Drive forward progress<br>to achieve gender parity<br>across all employees<br>and leadership by 2027   | Female employees in<br>organisation as of 31st<br>December 2024<br>(%): 28.4*<br>Female representation<br>on leadership team<br>(Leadership level defined<br>as L6+) as of 31st<br>December 2024 (%): 33.2*   | Female employees in<br>organisation: decrease<br>of 2.2 percentage<br>points <sup>2</sup><br>Female representation<br>on the Leadership<br>team: increase of 0.4<br>of a percentage point <sup>2</sup>   |                                   |  |
|                                   | Increase the<br>representation of Global<br>Majority <sup>o</sup> employees<br>to a minimum of<br>15% leadership and<br>25% across the<br>business by 2027 | Global Majority employees<br>as of 31st December<br>2024 (%): 17.9*<br>Leadership from Global<br>Majority communities<br>(Leadership level defined<br>as L6+) as of 31st<br>December 2024 (%): 14.6*  | Global Majority<br>employees across<br>organisation: increase<br>of 1.1 percentage point <sup>2</sup><br>Global Majority<br>employees in<br>Leadership team:<br>increase of 2.1<br>percentage points <sup>2</sup>  | •                                 |  |
|                                   | 100% of our financing<br>being sourced from<br>sustainable finance<br>instruments  | Financing raised during<br>the year which is<br>ESG linked (%): 74*   | 2022 result: 100%<br>2023 result: 100%   |                                   |  |

<sup>o</sup> We use "people of the global majority" since black, indigenous, and people of colour represent over 80% of the world's population. Global majority refers to people who are Black, Asian, Brown, dual-heritage, indigenous to the global south, and/ or have been referred to as "ethnic minorities".

<sup>2</sup> All percentage point changes represent comparisons against the reported percentage in 2022.

## Environmental data

#### Virgin Media O2 GHG emissions (tCO2e)

Please refer to the **Reporting Criteria** for boundary and methodology details.

| Category                       | 2024   | 2023   | 2022   | 2021   | 2020   | % change:<br>vs 2020 |  |  |
|--------------------------------|--------|--------|--------|--------|--------|----------------------|--|--|
| Scope 1 GHG emissions (tCO2e)  |        |        |        |        |        |                      |  |  |
| Stationary combustion of fuels | 4,446  | 5,295  | 5,426  | 5,331  | 6,039  | -26%                 |  |  |
| Mobile combustion of fuels     | 12,447 | 13,191 | 14,020 | 13,745 | 13,189 | -6%                  |  |  |

| Process emissions           | 0       | 0      | 0      | 0      | 0      | N/A  |
|-----------------------------|---------|--------|--------|--------|--------|------|
| Fugitive emissions          | 9,816   | 6,364  | 13,184 | 11,110 | 18,907 | -48% |
| Total Scope 1 GHG emissions | 26,709* | 24,850 | 32,630 | 30,186 | 38,135 | -30% |

| Category                        | 2024     | 2023    | 2022    | 2021    | 2020    | % change:<br>vs 2020 |
|---------------------------------|----------|---------|---------|---------|---------|----------------------|
| Scope 2 GHG emissions (tCO2e)   |          |         |         |         |         |                      |
| Electricity<br>(location-based) | 220,958* | 229,151 | 210,413 | 223,769 | 251,752 | -12%                 |
| Electricity<br>(market-based)   | 17,538*  | 30,357  | 38,763  | 52,993  | 63,056  | -72%                 |

#### Scope 1 and 2 GHG emissions (market-based) (tCO2e)

| Scope 1 & 2 GHG emissions (market-based)                         | 44,247* | 55,207 | 71,393 | 83,179 | 101,191 | -56%* |
|--|---------|--------|--------|--------|---------|-------|
| Scope 1 & 2 GHG emissions<br>(market-based) per petabyte of data | 0.91*   | 1.23   | 1.80   |        |         |       |

#### Scope 1 and 2 GHG emissions (location-based) (tCO2e)

| Scope 1 & 2 GHG emissions<br>(location-based)                      | 247,667* | 254,001 | 243,042 | 245,561                    | 289,887 | -15% |
|--|----------|---------|---------|----------------------------|---------|------|
| Scope 1 & 2 GHG emissions<br>(location-based) per petabyte of data | 5.11*    | 5.65    | 6.06    | ·<br>·<br>·<br>·<br>·<br>· |         |      |

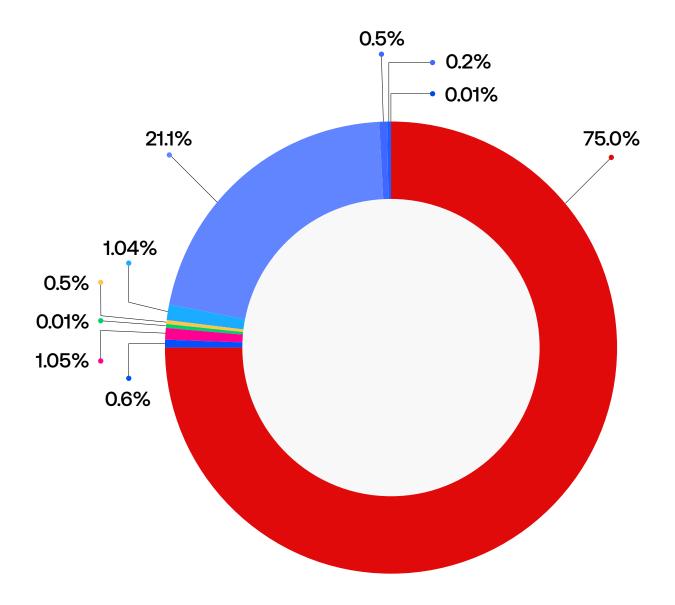
## Key to RAG status;

- Off track
- Behind target with pathway in place
- Achieved or on track



#### Scope 3 emissions by category (%)

| Cat 1 & 2 - Purchased goods & services and Capital goods | 75.0% • |
|--|---------|
| Cat 3 - Total fuel and energy related activities         | 0.6% •  |
| Cat 4 - Total upstream transport & distribution          | 1.05% • |
| Cat 5 - Total waste generated in operations              | 0.01% • |
| Cat 6 - Business Travel                                  | 0.5% •  |
| Cat 7 - Total employee commuting                         | 1.04% • |
| Cat 11 - Total use of sold products                      | 21.1% • |
| Cat 12 - Total end-of-life treatment of sold products    | 0.5% •  |
| Cat 13 - Total downstream leased assets                  | 0.2% •  |
| Cat 14 - Total franchises                                | 0.01% • |
|  |         |





| Category   | 2024       | 2023      | 2022      | 2021      | 2020      | % change:<br>vs 2020 |  |  |  |
|--|------------|-----------|-----------|-----------|-----------|----------------------|--|--|--|
| Scope 3 GHG emissions - (tCO2e)                        |            |           |           |           |           |                      |  |  |  |
| Total purchased goods<br>& services (Cat 1)            | 924,864    | 1,171,363 | 1,290,268 | 1,280,500 | 1,468,729 | -37%                 |  |  |  |
| Total capital goods<br>(Cat 2) <sup>**</sup>           | 0          | 0         | 0         | 0         | 0         | NA                   |  |  |  |
| Total fuel and energy<br>related activities (Cat 3)    | 7,557      | 10,158    | 11,987    | 13,416    | 14,223    | -47%                 |  |  |  |
| Total upstream transport<br>& distribution (Cat 4)     | 12,976     | 12,840    | 12,333    | 13,366    | 14,970    | -13%                 |  |  |  |
| Total waste generated<br>in operations (Cat 5)         | 69         | 139       | 162       | 104       | 156       | -56%                 |  |  |  |
| Total business travel<br>(Cat 6)                       | 6,687*     | 7,503     | 6,348     | 1,949     | 4,281     | 62%                  |  |  |  |
| Total business travel – Air travel<br>(Cat 6)          | 2,131*     | 2,469     | 1,755     | 150       | 719       | 224%                 |  |  |  |
| Total business travel<br>- Land travel (Cat 6)         | 4,556*     | 5,034     | 4,593     | 1,799     | 2,902     | 59%                  |  |  |  |
| Total employee commuting<br>(Cat 7)                    | 12,792     | 23,322    | 13,841    | 13,299    | 22,159    | -42%                 |  |  |  |
| Total upstream leased assets<br>(Cat 8)**              | N/A        | N/A       | N/A       | N/A       | N/A       | N/A                  |  |  |  |
| Total downstream transport<br>& distribution (Cat 9)** | 0          | 0         | 0         | 0         | 0         | N/A                  |  |  |  |
| Total processing of sold products (Cat 10)**           | N/A        | N/A       | N/A       | N/A       | N/A       | N/A                  |  |  |  |
| Total use of sold products<br>(Cat 11)                 | 260,663    | 264,304   | 329,078   | 266,141   | 220,418   | 8%                   |  |  |  |
| Total end-of-life treatment of sold products (Cat 12)  | 5,809      | 6,043     | 8,794     | 9,262     | 8,916     | -35%                 |  |  |  |
| Total downstream leased<br>assets (Cat 13)             | 1,869      | 0         | 0         | 0         | 0         | N/A                  |  |  |  |
| Total franchises<br>(Cat 14)                           | 112        | 1,030     | 1,489     | 1,565     | 1,655     | -93%                 |  |  |  |
| Total investments<br>(Cat 15)**                        | N/A        | N/A       | N/A       | N/A       | N/A       | N/A                  |  |  |  |
| Total Scope 3 GHG emissions<br>(metric tonnes CO2e)    | 1,233,398* | 1,496,701 | 1,674,300 | 1,599,602 | 1,755,507 | -30%                 |  |  |  |



# Virgin Media O2 energy usage

| Category                                   | 2024           | 2023          | 2022          | 2021          |
|--|----------------|---------------|---------------|---------------|
| Total energy consumption (MWh)             | 1,147,458*     | 1,187,097     | 1,171,285     | 1,137,058     |
| Total electricity use (KWh)                | 1,067,174,110* | 1,106,617,423 | 1,088,079,611 | 1,053,872,224 |
| Electricity use per petabyte data (KWh/pb) | 22,035*        | 24,470        | 27,423        | 28,183        |
| Renewable electricity consumption (MWh)    | 1,022,020*     | 1,023,481     | 977,697       | 878,267       |

# Sustainable finance data indicators

#### Sustainability-linked loan (term Y, Z and X1)

| KPI   | 2024    | 2023   | 2022    | 2024<br>Result                        |
|---|---------|--------|---------|---------------------------------------|
| Non-renewable electricity<br>consumption (MWh)        | 45,154* | 83,137 | 110,383 | 59%*<br>reduction vs<br>2022 baseline |
| Scopes 1 and 2 GHG emissions<br>(market-based, tCO2e) | 44,247* | 55,207 | 71,393  | 56%*<br>reduction vs<br>2020 baseline |

\* This indicator is subject to external independent limited assurance by ERM Certification and Verification Services Limited (ERM CVS). For results of the assurance, see ERM CVS assurance report on our <u>corporate statements page</u>.

\*\* Capital goods (Cat 2) emissions are included in purchased goods and services (Cat 1).

Upstream leased assets (Cat 8) and the processing of sold products (Cat 10) are not applicable to our business.

Downstream transportation & distribution (Cat 9) emissions are acccounted for in purchased goods and services (Cat 1).

Investments (Cat 15) are not applicable and are either nonemissive or accounted for elsewhere in the GHG inventory.

~ The 2024 carbon avoidance figure is based on a new methodology developed by our parent company Telefonica. This new methodology is based on a full alignment with the World Business Council for Sustainable Development (WBCSD) 'Guidance on Avoided emissions' Guidance on Avoided Emissions | WBCSD and partial alignment to the ITU's standard "L.1480: Enabling the Net Zero transition: Assessing how the use of information and communication technology solutions impact greenhouse gas emissions of other sectors". The methodology considers the first-order effects (the lifecycle impact of digital devices), second-order effects (positive or negative effects of using technology) and higher-order effects (associated structural or behavioural changes) of fixed and mobile connectivity. It includes teleworking, use of public transport, e-learning, e-shopping, carpooling, smart meters and fleet management.

 $\Delta$  Customers are provided with a fully recyclable and plastic packaging free experience by removing any plastic at our facilities and recycling it responsibly. Through a supplier engagement programme, we have further reduced plastic packaging of our own products from the suppliers we source from, achieving a 27%\* reduction since 2022.

