

Virgin Media O2



Green Bond Progress Report



As at December 31 2024

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Introduction

As per the VMED O2 Green Bond Framework (see below), VMED O2 UK Limited (the Company) presents its Green Bond Progress Report as at 31 December 2024 (the Progress Report).

Virgin Media O2 Joint Venture

Virgin Media O2 (the Joint Venture or VMED O2) is a 50:50 joint venture that was formed on 1 June 2021 between Liberty Global Ltd and Telefónica SA, which brought together Virgin Media's operations in the United Kingdom (UK) (Virgin Media) with O2 Holdings' operations in the UK (O2 Group). One of the Company's wholly-owned subsidiaries, VMED O2 UK Financing I plc, issued the VMED O2 April 2024 Green Bonds (as defined herein), the Joint Venture's second issue of Green Bonds. An additional Green Bond was issued in December 2024 however no allocations have been made to this Green Bond in this Green Bond Progress Report.

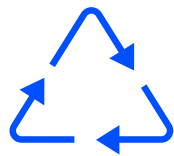
Virgin Media O2's Better Connections Plan

Launched on 25 May 2022, Virgin Media O2's Better Connections Plan underscores our commitment to make our business even better for people, communities and the planet. Our purpose, people and products will power stretching goals around carbon, circularity and communities aiming to reduce our impact on the climate, eradicate electronic waste, and connect the disconnected:



Enabling a zero-carbon future:

We will use our digital know-how and infrastructure to help create a zero-carbon future, faster.



Accelerating a circular economy:

We will champion a zero waste and more circular technology sector, where material is valued and kept in use - again and again.



Connecting the disconnected:

We will boost digital inclusion, so that everyone can stay connected to the people they love and the services they rely on.



Underpinned by building a better business:

We will create a leading inclusive workplace where everyone can be their best, proudly uphold our values, and get involved with local communities.





Enabling a zero-carbon future

To prevent the worst impacts of climate change, we will all need to change the way we live and work - for the better, and for good. At VMED O2, we believe that technology can play a pivotal role in the shift towards a decarbonised future, and have set

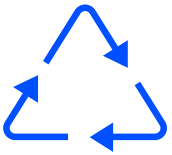
two key goals to guide our climate action:

- 1.** Greener Business – we are targeting net zero carbon in our full value chain, including our operations, products and supply chain, by 2040 (with interim targets for the end of 2025 and 2030).
- 2.** Zero-carbon future – we will help accelerate the UK's transition to net zero by using our products and services to help our customers avoid 20 million tonnes of CO₂.

To keep us on track, assess our progress and make sure we always act in line with climate science, we have aligned with industry experts, organisations and coalitions - including the Science Based Target initiative's (SBTi) Net-Zero Standard, The Carbon Trust's Route to Net Zero Standard and The Climate Pledge. We're also a member of the Climate Group's EV100 initiative which will see us transitioning our fleet of more than 4,000 vehicles to electric vehicles by the end of 2030.

As well as mitigating our own climate impact, we're also providing the connectivity foundations for smart cities, smart metering and autonomous vehicles saving up to 20 million tonnes of carbon by 2025. And we'll continue to educate and inform our customers about how they can live lower-carbon lives through our TV platform, advertising, venues and partnerships.

Transitioning our fleet of more than 4,000 vehicles to electric vehicles by the end of 2030.



Accelerating to a circular economy

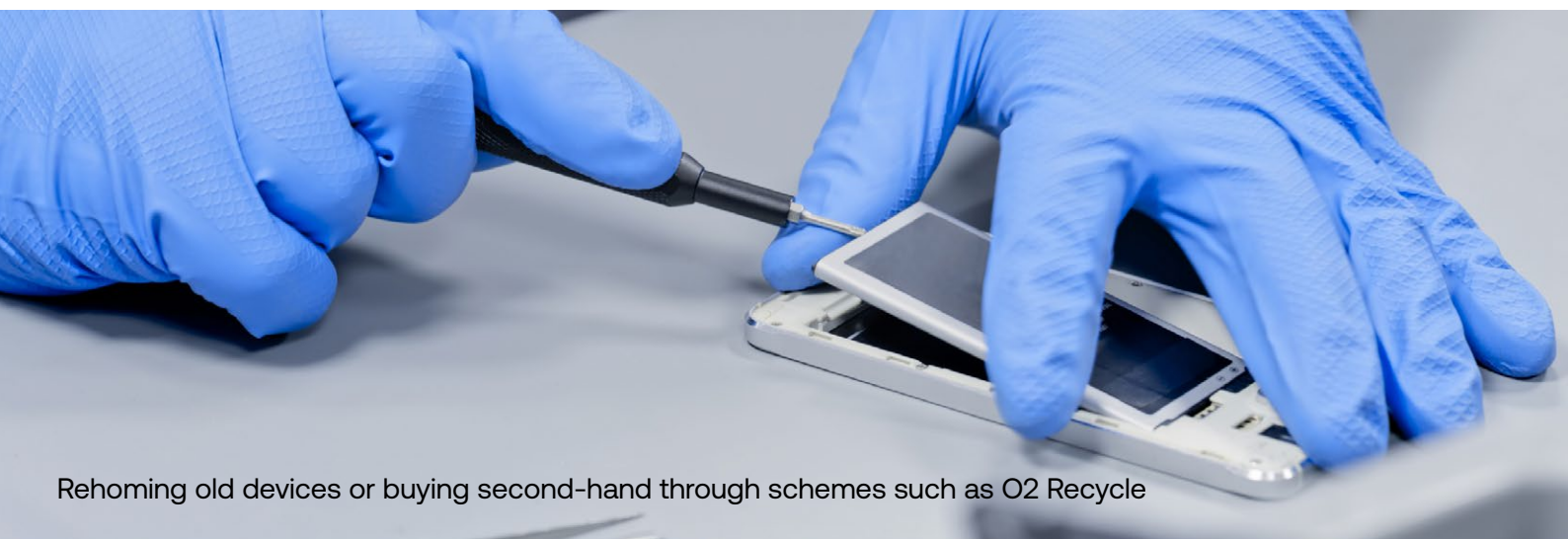
We believe that bold action needs to be taken to combat the growing problem of electronic waste (e-waste). We're pledging to reduce the huge numbers of devices that end up in landfill every year by extending the life of the devices we sell and encouraging the reuse of products and raw materials.

Our year end 2025 circularity targets are:

- 1.** A zero waste future – we are targeting zero waste operations and products by making sure more than 95% of our operational waste is recycled, and less than 5% will be incinerated.
- 2.** Circular by design – we will enable 10 million circular solutions and actions to help customers tackle e-waste, from sustainably recycling devices, to sending back old kit and donating unwanted smartphones and tablets to people who need them.

We'll take a 're-use first' approach to our branded products, and reduce our reliance on virgin raw materials in new products; make sure that 100% of customer packaging for own-branded products is widely recyclable and contains zero single-use plastic; and reuse or recycle 100% of all returned customer and network equipment.

We'll also seek to improve awareness of e-waste - and how customers can tackle it by recycling, rehoming old devices or buying second-hand through schemes such as O2 Recycle, Like New (refurbished devices), or our take back scheme for routers and set-top boxes.



Rehoming old devices or buying second-hand through schemes such as O2 Recycle



Help eradicate data poverty

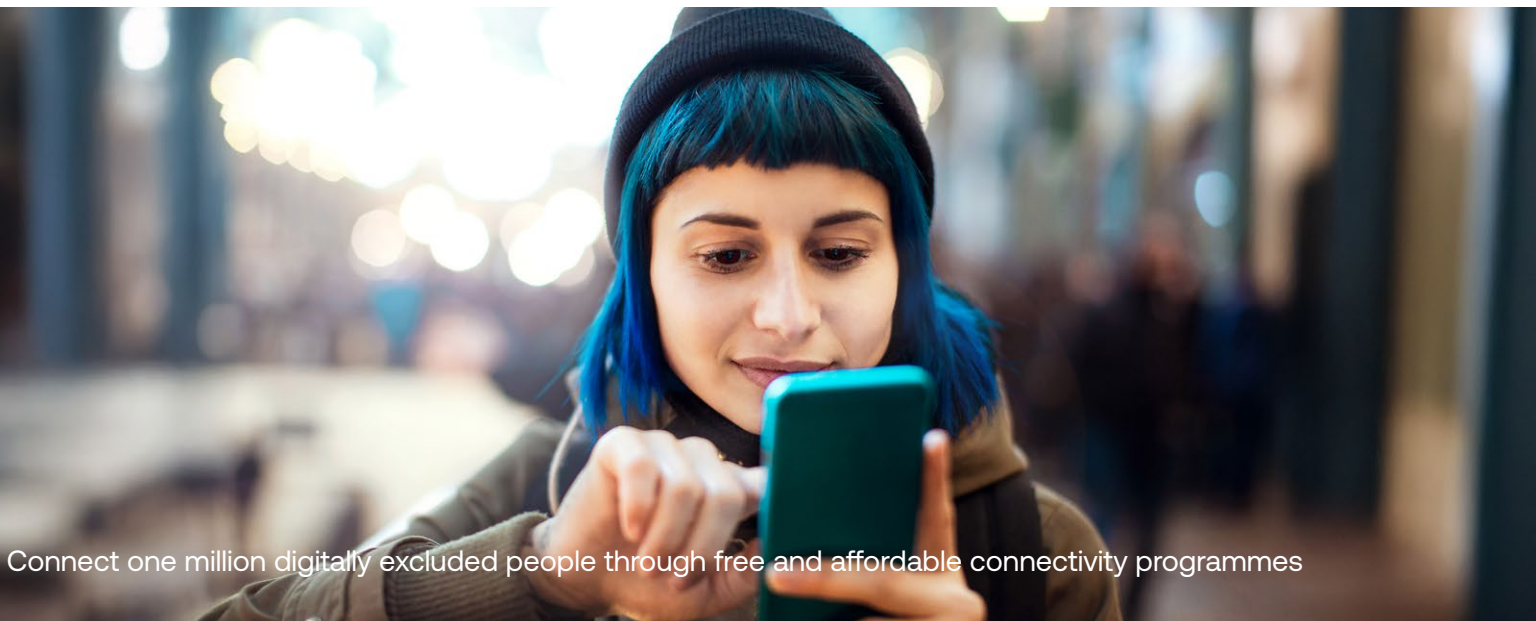
Our Better Connections Plan sets out our ambitions to help eradicate data poverty, boost digital skills and improve digital literacy - connecting the disconnected across the UK so that everyone can participate in a digital society.

Our aims are centred around two key year end 2025 targets:

- 1.** Connect one million digitally excluded people through free and affordable connectivity programmes, tariffs and services.
- 2.** Improve the digital skills and confidence of six million people, expanding its digital skills agenda with Good Things Foundation, and continuing to support parents and families to be safer online with Internet Matters.

To raise awareness of data poverty, and take steps to make access to data fairer, we established the UK's first ever National Databank in July 2021 with the Good Things Foundation. We've since launched Tech Lending Community Hubs - connecting community groups with data, devices and support - and our Community Calling scheme rehomes old smartphones, together with a year's worth of free data, to those in need.

We are also aiming to improve the digital literacy of one million people through tailored training that will help provide the digital skills and confidence needed to access essential online services. A national network of 5,000 digital inclusion hubs, co-ordinated through the Online Centres Network, will empower local communities in deprived areas to tackle exclusion and inequity.



Connect one million digitally excluded people through free and affordable connectivity programmes



A better way to
do business

At VMED O2, we believe that how we do business matters. We're determined to champion inclusive, equitable values, create a great place to work, and ensure our partners and suppliers uphold our stringent ethical and environmental standards.

Our diversity, equity and inclusion strategy, All In, has four ambitions by 2027 to increase workplace inclusion:

- 1.** To have equal representation of women and men in our senior leadership team.
- 2.** To have driven forward progress for gender parity – including all gender identities and expressions.
- 3.** 25% of the organisation will be represented by the Global Majority⁽¹⁾
- 4.** 15% of the leadership team will be from Global Majority employees.

We have introduced more family-friendly policies and offer support and flexibility to all employees so they have everything they need to be their best – both at work and in their personal lives. Employees can also play a greater role in the places they live through our Take Five scheme which offers five paid volunteering days a year, with the ambition to support 1 million people in communities across the UK by the end of 2025.

Building on our ethical sourcing expertise and using our spend to improve sustainability and social impact within our supply chain is also a key focus: we'll ensure that all major purchases commit contractually to defined sustainability requirements and aligned carbon reduction goals.

VMED O2's performance against key sustainability data indicators and key performance indicators concerning our Better Connections Plan commitments, emissions, energy and green financing instruments can be seen in our Sustainability Performance update published on the Virgin Media O2 website.

See [Sustainability-performance-update-2024.pdf](#)

Using our spend to improve sustainability and social impact



(1) 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 racialised as 'ethnic minorities'.

VMED O2

Green Bond Framework (August 2022)

Overview

VMED O2 published its initial Green Bond Framework in June 2021. This framework was refreshed following the May 2022 launch of the Better Connections Plan and was re-issued in August 2022 (the VMED O2 Green Bond Framework). The VMED O2 Green Bond Framework provides the framework under which Green Bonds, as defined in the International Capital Market Association's (ICMA) Green Bond Principles 2021, have and can be issued.

The VMED O2 Green Bond Framework sets out the eligibility, selection and evaluation criteria of VMED O2 Eligible Green Projects (as defined therein) as well as the rules governing the management of the proceeds and reporting on project progress, impact reporting and external assurance. VMED O2 Eligible Green Projects are those that support our transition towards a net zero carbon and zero waste future for the UK in areas such as energy efficiency, eco efficient circular economy products, clean transport and renewable energy.

The VMED O2 Green Bond Framework requires that an amount equal to the net proceeds of any Green Bonds raised under the VMED O2 Green Bond Framework will be allocated to finance or refinance VMED O2 Eligible Green Projects, as per the eligibility criteria and project selection process outlined in the VMED O2 Green Bond Framework. Once approved, such allocations have been reflected in our internal records in the Green Bond Register we have established.

The VMED O2 Green Bond Framework allows a look-back period of up to 36 months from the issuance of Green Bonds for the refinancing of VMED O2 Eligible Green Projects. In addition, VMED O2 intends to fully allocate an amount equal to the net proceeds from the issuance of Green Bonds to the financing and refinancing of VMED O2 Eligible Green Projects no later than 36 months after the issue of the Green Bonds.

Any portion of the net proceeds of a Green Bond that has not been allocated to VMED O2 Eligible Green Projects by the end of the 36 month period following the date of issue will be managed in accordance with our standard liquidity management practices, whereby funds may be invested in bank accounts, money market deposits or institutional money market funds.

These provisions mean that the look-back period for VMED O2's Green Bond issue in April 2024 extended back to April 2021 and that the allocation of eligible spend against the net proceeds of approximately £511 million was due to be completed no later than March 2027. As set out below, VMED O2's April 2024 Green Bond issue is fully allocated as at 31 December 2024.

Reporting

The VMED O2 Green Bond Framework commits VMED O2 to making available progress reports covering the allocation of amounts to the VMED O2 Eligible Green Projects on an aggregate basis and at the level of the project portfolio, as well as impact reporting through a defined range of possible KPIs.

VMED O2 intends to provide updated Progress Reports annually until full allocation of the net proceeds of any Green Bond outstanding has been achieved. Such Progress Reports will be prepared as at calendar year ends.

Underlying Guidance and Validation

The VMED O2 Green Bond Framework is aligned with the ICMA Green Bond Principles 2021 and Sustainalytics, a leading global independent company in Environmental Social Governance (“ESG”) research and rating provider, has provided a positive Second Party Opinion on the VMED O2 Green Bond Framework.

ERM Certification & Verification Services Limited (ERM CVS) has provided limited assurance, using the assurance standard ISAE 3000 (Revised), on the Use of Proceeds as at 31 December 2024 and selected 2024 Impact Reporting metrics. ERM CVS’ Assurance Report is available with this Progress Report on the Corporate Statements section of the VMED O2 Corporate website.



Governance Arrangements

The VMED O2 Green Bond Framework identifies the Environmental Steering Committee (the Environmental SteerCo) as the body overseeing the selection and evaluation process of VMED O2 Eligible Green Projects in accordance with the VMED O2 Green Bond Framework's eligibility criteria. The Environmental SteerCo is comprised of senior representatives from relevant operational teams and supported by the Sustainability and Finance teams. It is chaired by VMED O2's Head of Environment, Climate and Nature and attended by VMED O2's Chief Technology Officer, a member of VMED O2's Executive Management Team.

The Environmental SteerCo's terms of reference set as its purpose to act as a sub-committee of VMED O2's Sustainability and Responsible Business committee in managing the environmental aspects of VMED O2's business. The Environmental SteerCo will manage all decisions regarding the delivery of VMED O2's environmental strategy, communications plans and project prioritisation in addition to acting as the steering board for key environmental projects. The Environmental SteerCo represents key areas of the VMED O2 business delivering and benefitting from these environmental projects.



The Environmental SteerCo's responsibilities include:

1. Supporting the development and delivery of VMED O2's environmental strategy, including communication of the environmental strategy to internal and external stakeholders;
2. Our Environmental Management system;
3. Key environmental projects and related Executive Objectives Key Results (OKRs); and
4. Green Bond financing.

With regard to the fourth item, the Environmental SteerCo has delegated the review and approval of proposed allocations of spend on VMED O2 Eligible Green Projects to a “Green Bond sub-group”. The Green Bond sub-group is drawn from the Environmental SteerCo membership, with the Green Bond Registrar (a member of the VMED O2 Accounting & Reporting team) and a Treasury representative also included as invited participants.

The Green Bond sub-group meets at a minimum bi-annually for:

- 1.** The review and approval of proposed allocations of eligible spend, including deciding on the inclusion of spend on new eligible projects;
- 2.** The review and approval of the periodic allocation and impact reporting;
- 3.** Monitoring of the project portfolio for outcomes outside of the August 2022 VMED O2 Green Bond Framework’s eligibility criteria;
- 4.** The annual monitoring of the continued eligibility of the VMED O2 Eligible Green Projects as set out in the August 2022 VMED O2 Green Bond Framework; and
- 5.** Following circulation for review and comment to the Environmental SteerCo, the final review and approval of any revisions to the VMED O2 Green Bond Framework.

The Green Bond sub-group notifies the Environmental SteerCo of decisions made and provides feedback on its activities to the Environmental SteerCo at the latter’s regular meetings.

We monitored our progress against the Better Connections Plan through three specialist Steering Committees one of which being the Environmental SteerCo. In the autumn of 2024, following the approval of this Green Bond allocation, we decided to streamline these groups into an overarching Responsibility Committee to provide oversight of sustainability issues and facilitate more effective decision-making.

While this change impacts who the Green Bond sub-group reports into, it has no impact on the mandate of the Green Bond sub-group. Therefore this change will not impact the governance which is applied over the Green Bond allocations.

Green Bond Issue –

the VMED O2 April 2024 Green Bonds

The Joint Venture, through one of its wholly-owned subsidiaries VMED O2 UK Financing I plc, made its second Green Bond issue in April 2024 with net proceeds of £511.6 million (the Net Proceeds).

On 3 April 2024, we issued €600.0 million principal amount of euro-denominated senior secured notes as a Green Bond under the VMED O2 Green Bond Framework. The senior secured notes were issued at par, mature on 15 April 2032 and bear interest at 5.625%.

The Net Proceeds of the VMED O2 April 2024 Green Bond's €600.0 million principal amount, translated using the spot foreign exchange rates on the date of receipt of the funds, was £511.6 million net of bank fees and other third-party issue costs.

Green Bonds in Issue as at 31 December 2024

All of the VMED O2 Green Bonds remained in issue as at 31 December 2024.

In addition, Virgin Media O2 Vendor Financing Notes V Designated Activity Company (Virgin Media O2 Financing V Company), a third-party Special Purpose Entity that is outside of the Group, issued £400.0 million principal amount of 7.875% vendor financing notes at par due 15 March 2032. The net proceeds from this note are to be used by the Virgin Media O2 Financing V Company to purchase certain vendor-financed receivables owed by our company to various other third parties. To the extent that the proceeds from the 2032 Vendor Financing Notes exceed the amount of vendor-financed receivables purchased, the excess proceeds will be on-lent to Virgin Media O2.

An amount equivalent to proceeds raised will be used for investments in green projects, in line with the VMED O2 Green Bond Framework. As the allocation is in progress, no allocation has been included in this Progress Report for this £400 million Green Bond.

The summary details of the VMED O2 Green Bond issued are as follows

	EUR
Date of Issue	Apr-24
Amount (€'m)	€600
Interest Rate	5.625%
Maturity Date	15-Apr-32
ISIN (Regulated S Global Note)	X52796600307
ISIN (144A Global Note)	XS2797211872
Overall Proceeds (£'m)	£511.60
Allocation status	Fully Allocated - 2024

Eligible Green Project Allocations

Allocation of Eligible Spend against the Net Proceeds of the VMED O2 April 2024 Green Bonds

As at 31 December 2024 expenditure on VMED O2 Eligible Green Projects of £511.6 million had been allocated against the Net Proceeds of the VMED O2 April 2024 Green Bond, meaning that those Net Proceeds of £511.6 million were fully allocated:

Category	Period	Description	Look-back or Post Issue	Amount in millions	% of Net Proceeds
Energy Efficiency	H2 2021 – H1 2022	21 st Century Voice	Look-back	£1.1	0.2%
Energy Efficiency	H2 2021 – H2 2022	5G Capacity	Look-back	£192.5	37.6%
Energy Efficiency	H2 2021 – H2 2022	5G Core Investment	Look-back	£8.0	1.6%
Energy Efficiency	H2 2021 – H2 2022	5G Coverage	Look-back	£71.8	14.0%
Energy Efficiency	H2 2021 – H2 2022	5G Transmission	Look-back	£33.9	6.6%
Energy Efficiency	H2 2021 – H2 2022	Mobile OREO	Look-back	£1.3	0.3%
Energy Efficiency	H2 2021 – H2 2022	Shared Rural Network Investment	Look-back	£5.8	1.1%
Energy Efficiency	H2 2021 – H2 2022	Telco Cloud	Look-back	£73.4	14.4%
Energy Efficiency	2022	VM Network Expansion	Look-back	£76.2	14.9%
Energy Efficiency	H1 2022	VMB Network expansion	Look-back	£47.6	9.3%
Allocation as at 31 December 2024				£511.6	100.0%
Over (under) allocation v £511.6m Net Proceeds				£0.0	0.0%

(1) ERM CVS, our independent assurance provider, has provided limited assurance over the information in this table using the assurance standard ISAE 3000 (Revised). See the separate “ERM CVS Independent Limited Assurance Report on Use of Green Bond Proceeds and Impact Reporting for 2024” as at and for the year ended 31 December 2024” available on the Corporate Statements section of the Virgin Media O2 Corporate website.

Impact Indicator Reporting

Overview

The direct environmental impact of VMED O2 is mainly related to our mobile and fixed networks, along with the mobility of our employees. The indirect environmental impact is related to the energy used for the production and use of our products and services. The mobile and fixed networks alone are responsible for more than 95% of our energy consumption.

Our networks are therefore a significant focus and spend on eligible green projects aiming at delivering energy efficiency in and through our fixed and mobile network accounted for 84% of the eligible spend allocated against the Net Proceeds of the VMED O2 April 2024 Green Bond.

Impact Reporting

On a best effort basis, the Joint Venture intends to report on the environmental impacts achieved by funded VMED O2 Eligible Green Projects. The impact reporting will include a description of VMED Eligible Green Projects and impact

metrics such as those listed below measured at the level of the overall business. For more information on our methodologies and definitions, see our “Environmental Reporting Criteria” as set out at: [Corporate Statements - Virgin Media O2](#)

Eligible Green Projects category:

Energy Efficiency

Examples of impact indicators:

Tonnes of CO₂e (scope 1 and 2) per Petabyte of mobile network data

Tonnes of CO₂e (scope 1 and 2) per Fixed-line customer relationships

Tonnes of CO₂e (scope 1 and 2) for VMED O2’s combined operations

Electricity use (kWh) per Petabyte data for fixed and mobile networks

In addition, under the VMED O2 Green Bond Framework, we committed to provide, on a best-effort basis, a description of VMED O2 Eligible Green Projects funded by the net proceeds of the VMED O2 Green Bonds issued. This activity is discussed in the following section - see “Energy use and CO₂ Emissions of the Fixed Network and Mobile Network”.

Energy use and CO₂ Emissions of the Fixed Network and Mobile Network

The metrics considered with regard to the environmental impact of our fixed and mobile network energy include the following:



	2024	2023	2022	2021	2020
Tonnes of CO₂e (scope 1 and 2) – location based	(1) 247,667	254,001	243,042	245,561	289,887
year on year changes	-2.5%	4.5%	-1.0%	-15.3%	
As a % of 2020	85.4%	87.6%	83.8%	84.7%	
Fixed-line customer relationships	5,836,100	5,826,800	5,795,500	5,768,300	5,626,700
year on year changes	0.2%	0.5%	0.5%	2.5%	
Tonnes of CO₂e (scope 1 and 2) per Fixed-line customer – location based	0.04244	0.04359	0.04194	0.04257	0.05152
year on year changes	-2.6%	3.9%	-1.5%	-17.4%	
As a % of 2020	82.4%	84.6%	81.4%	82.6%	
Tonnes of CO₂e (scope 1 and 2) per Petabytes of data – location based	(1) 5.11	5.65	6.06	6.85	9.47
year on year changes	-5.7%	-4.3%	-8.3%	-27.7%	
As a % of 2020	54.0%	59.7%	64.0%	72.3%	
Electricity use (kWh) per Petabyte of data	(1) 22,035	24,630	27,423	29,386	34,632
year on year changes	-10.5%	-10.2%	-6.7%	-15.1%	
As a % of 2020	63.6%	71.1%	79.2%	84.9%	

(1) ERM CVS, our independent assurance provider, has provided limited assurance over the selected information in this table denoted by the symbol (1) using the assurance standard ISAE 3000 (Revised). See the separate “ERM CVS Independent Limited Assurance Report on Use of Green Bond Proceeds and Impact Reporting for 2024” as at and for the year ended 31 December 2024 available on the Corporate Statements section of the Virgin Media O2 Corporate website.

We observe a positive development when assessing the period from 2020 to 2024 considering the relationship between data usage by our customers on our fixed and mobile networks and the overall energy consumption and CO₂ emissions (scope 1 and scope 2), as set out in the table above. Our energy consumption and CO₂ emissions decrease during this period, despite the increase in Fixed-line customers and mobile customer data traffic. We endeavour to run our fixed network in as energy efficient a manner as we can.

In addition, we consider that by enabling high-speed connectivity we facilitate significant energy savings by end users across many sectors. While we acknowledge that expansion of our fixed network and increasing data flows from smart solutions and products may result in additional overall energy demands on telecommunications networks, we believe that the enabled savings outweigh the potential adverse effects of additional network demand.

Network Expansion

During the 2021 to 2024 period we have continued to invest in eligible green projects to extend the reach of our fixed network, and the high-speed connectivity it provides, to more households (Network Expansion). This Network Expansion has been a multi-year programme beginning in 2015. In addition, we have extended the reach of our network to facilitate the provision of business to business (B2B) services (VMB Network Expansion).

In the period covered by these allocations, the Network Expansion plan has delivered 494,000 new gigabit capable connections, respectively. Over this time the cost per premise has reduced from >£800/premise to <£600/premise as build processes have been optimised to reduce construction disruption by using Openreach physical infrastructure where possible, thereby also reducing the environmental impact.

The Network Expansion plan delivered 7,000 (2024) and 57,000 (2023) new gigabit capable connections, respectively. This spend has not been allocated at the time of this report. The decline seen in 2023 and 2024 is a result of the new arrangement with nexfibre.

In July 2022, Telefónica, Liberty Global and InfraVia Capital Partners announced the new fibre joint venture, nexfibre, the transaction completed in December 2022. VMED O2 is the anchor tenant of this joint venture and will provide build services to nexfibre while nexfibre own the expanded fibre network. Any spend by nexfibre on the Network Expansion project will not be eligible for any VMED O2 Green Bond allocation.



The Network Expansion plan has delivered 494,000 new gigabit capable connections

Investment in 4G and 5G

We operate a mobile access network based on 2G, 3G, 4G and 5G standards.

The below data set outlines our mobile network coverage from 2020 through to 2024. The increase in both our 4G and 5G coverage illustrates the impact of our investment into the mobile network.

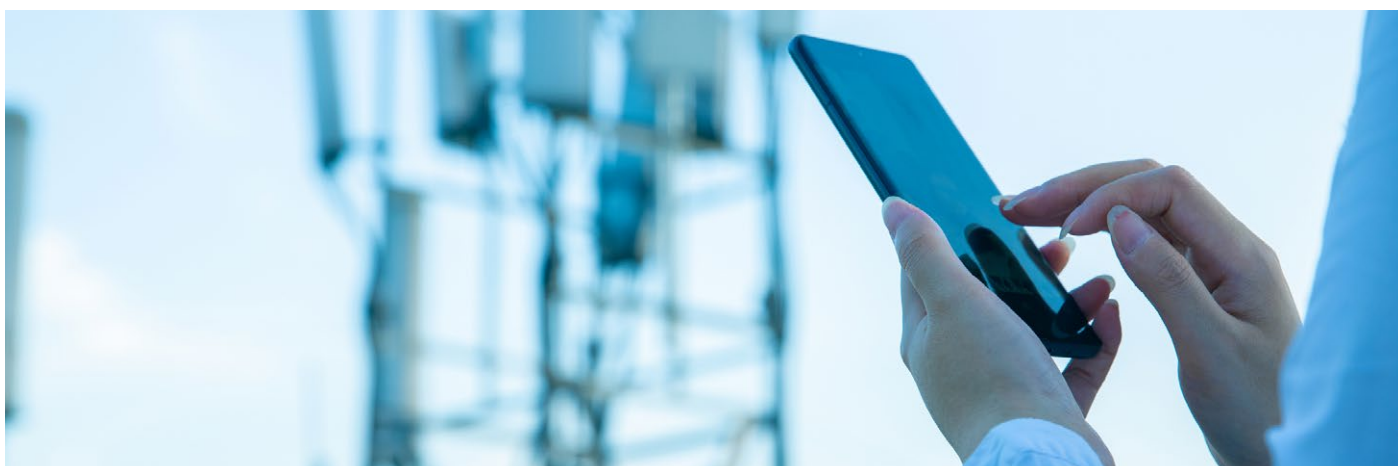
Our 4G and 5G technology can help build a greener, more resilient economy by providing connected solutions in smart homes and cities, transport and healthcare. Expanding our 5G mobile network which increases coverage and improves reliability and speed, in addition to unlocking new opportunities notably in business.

Ofcom and the Department for Science, Innovation and Technology (DSIT) eye greater investment in mobile connectivity, including 5G, supporting our rollout and customer benefits including:

	UK Geographical coverage				
	2020	2021	2022	2023	2024
4G	74%	80%	82%	82%	88%
5G (high confidence)	-	-	4%	14%	28%

Source – Ofcom Connected Nations Report 2022, 2023 and 2024

- a.** Improve connectivity: 5G investment can lead to faster, more reliable and more widely available mobile connectivity, which can improve people’s daily lives and support the growth of the UK’s digital economy. As part of the Shared Rural Network programme, VMED O2 has complied with the coverage targets included in its licence for June 2024.
- b.** Innovation: 5G provides the high-speed, low-latency connections required for emerging technologies like Internet of Things (IoT), autonomous vehicles and smart cities, helping the UK stay at the forefront of innovation.
- c.** Improve public services: 5G can enable the delivery of innovative public services, such as telemedicine, smart transport and e-government services, making them more accessible and efficient.



Investment in other energy consumption benefits

Over the course of the allocation period, we have made the following allocations of eligible spend against the Net Proceeds of the VMED O2 April 2024 Green Bond:



21st Century Voice

An example of investment aimed at the delivery of energy efficiency benefits we noted in the VMED O2 Green Bond Framework was our spend to facilitate the roll out of digital fixed-line telephony (VOIP) in place of traditional copper-based systems. Allocations have been made during 2022 for this project, known as 21st Century Voice, covering eligible spend incurred for this project during the look-back period. Activity continues in the post issue period, with the migration of customers through the Digital Voice Switchover getting underway during 2021 and beyond. This migration stage involves a mix of both capital expenditure and operating expense spend. As the VMED O2 April 2024 Green Bonds have been fully allocated as at 31 December 2024, the post issue 21st Century Voice and Digital Voice Switchover eligible spend remains to be set against the net proceeds of any future VMED O2 Green Bond, subject to the look-back period applicable to any such issue.



OREO

OREO was a Network & Technology programme that continued to run between 2021 through to 2023 as an efficiency project across 130 data centre and technical sites which involved:

- Enhanced Room Cooling Control – the automated capability to only use mechanical cooling when required.
- Technical Room Free Cooling Installation – utilising outside ambient temperature whenever possible.
- Introduction of room level control and enhancing airflow – thermal barriers, rack blanking and tile grilles.

This work delivered direct energy efficiency benefits in terms of reduced power consumption. The allocation made in 2024 relates to spend on this project in 2021 and 2022.

External Assurance

We engaged ERM Certification & Verification Services Limited (ERM CVS) to undertake independent limited assurance, reporting to VMED O2 UK Limited, using the assurance standard International Standard on Assurance Engagements (UK) 3000 (Revised)– ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’ (‘ISAE 3000 (Revised)’) for (i) the Use of Green Bond Proceeds and (ii) for selected environmental Impact Reporting metrics for the year ended 31 December 2024 (together the Selected Information). ERM CVS Assurance Report for this engagement is available with this Progress Report on the Corporate Statements section of the Virgin Media O2 Corporate website. ERM CVS has issued an unqualified assurance conclusion.

The level of assurance provided for in a limited assurance engagement is lower than a reasonable assurance engagement. In order to reach their reported conclusions for both parts of the assurance scope for this engagement, ERM CVS performed a range of procedures, a summary of which is included within their Assurance Report.

Non-financial performance information, including the quantification of GHG emissions, is subject to more inherent limitations than financial reporting. It is important to read the Selected Information in the context of the full ERM CVS limited assurance report on the Selected Information and VMED O2’s reporting criteria as set out in Appendix 2 to the limited assurance report and as available on VMED O2’s website (see “Impact Reporting” above).



Appendix

Extract from VMED O2 Green Bond Framework: VMED O2 Eligible Green Projects

Under the VMED O2 Green Bond Framework issued August 2022, VMED O2 uses Green Bonds to finance Eligible Green Projects of VMED O2 (“VMED O2 Eligible Green Projects”) that support VMED O2’s transition to a net zero carbon and zero waste future for the UK.

Following the VMED O2 Green Bond Framework, and the ICMA Green Bond Principles (“GBP”) it incorporates, refinancing of VMED O2 Eligible Green Projects will have a look-back period of no longer than 36 months from the time of issuance. The net proceeds or an amount

equal to the net proceeds raised through any green bonds will be allocated to the financing and refinancing of VMED O2 Eligible Green Projects as defined in the VMED O2 Green Bond Framework.

A list of VMED O2 Eligible Green Projects that may be considered by VMED O2 per the VMED O2 Green Bond Framework is shown below, together with the category per the GBP (“GBP category”) and the alignment to the Sustainable Development Goals (“SDG”) adopted by the United Nations:

Energy efficiency

Network transformation (fixed-line & mobile) that result in energy efficiency as set out below. This list may be further updated as technologies and other circumstances evolve.

- Rollout of full-fibre and fibre-rich networks, implementing DOCSIS⁽¹⁾ 3.1, and investment in mobile 4G & 5G networks to underpin the UK’s digital revolution and connectivity, enabling smart cities, smart homes and smart transport systems;
- Achieving target of PUE <1.5 for data centres through our data centre energy efficiency and free cooling programme known as OREO (overall room energy optimisation);
- Rolling out digital fixed-line telephony (VOIP) in place of traditional copper-based systems, driving energy efficiencies;
- LED swap-outs in technical and people sites;
- Virtualisation of network delivering energy efficiency benefits;
- Electrical power monitoring systems for the network;
- Improvements in supporting network infrastructure, including cooling optimisation, smart management, intelligent lighting, automation maintenance; and
- Effective Life Cycle management of electrically powered Network, Technical site and IT assets.

Purchase of more power efficient Customer Premises Equipment (CPE) compared to baseline prior models (CPE purchases also drive Circular Economy benefits including (i) increasing the recycled content in manufacture and (ii) maximising end of life recycling).

Finance the development and implementation of products and services based on Internet of Things, big data and/or artificial intelligence, which aim at energy efficiency and conservation of natural resources. Potential technologies include financing of hardware, software and innovation, such as:

- New IoT connectivity with technologies including Narrowband-IoT, which is a Low Power Wide Area (“LPWA”) network technology and can facilitate increase energy efficiency, improve network coverage and enhance the duration of batteries; and excluding any applications for fossil fuel technologies.



Renewable energy⁽²⁾

- On-site renewable power generation from sources such as solar and wind to reduce grid dependency and increase security of supply e.g. solar photovoltaic installations on technical sites.



Clean transportation

- Switching fleet to electric vehicles and hybrid vehicles that comply with a 50gCO₂/km threshold (fleet over 4,000 vehicles as at 31 December 2021).
- Electric vehicle charging points at offices and at other sites with staff.



Circular economy adapted products, production technologies and processes

- Electrical product take-back, repair and refurbishment to enable the reuse of customer products.

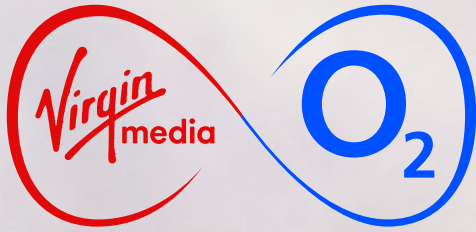


(1) DOCSIS - Data Over Cable Service Interface Specification

(2) Where VMED O2 controls the bill, it purchases 100% of the power for its mobile and fixed network from renewable sources. These ongoing operating expenses are not considered eligible expenditure. If and when VMED O2 enters into medium to long term power purchase agreements (PPA) that support the construction of incremental generating capacity, this position may be re-assessed.

The SDG noted above are:

- 7 Affordable and Clean Energy,
- 9 Industry, Innovation and Infrastructure,
- 11 Sustainable Cities and Communities, and
- 12 Responsible Consumption and Production



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