



VodafoneZiggo

Sustainable Finance
Framework

JANUARY
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Introduction

VodafoneZiggo is a leading Dutch technology company that provides essential high-speed fixed and mobile connectivity, and the best entertainment services to our residential and business customers. The Netherlands has one of the best mobile and fixed network infrastructure in Europe. As a large player in both markets, we strongly contribute to this competitive position of our country and its investment climate.

VodafoneZiggo was established during 2016 as a joint venture between Vodafone Group and Liberty Global. Supported by our GigaNet, the powerful Vodafone and Ziggo networks, we operate as one company with two premium brands:

Vodafone: one of the most innovative brands in the market for mobile telecommunications services. Vodafone has the largest 4G network, was the first to introduce 5G in the Netherlands and is viewed worldwide as the leader in the field of the Internet of Things ("IoT").

Ziggo: offers a range of fixed services and products such as Gigabit internet, SmartWiFi pods and digital television with attractive entertainment content such as Ziggo Sport provided over next-generation video platforms including our awarded Ziggo Go app.

Additionally, we serve the mobile no-frill segment with our second brand hollandsnieuwe. The formation of VodafoneZiggo created a national fully converged operator in the Netherlands and, as such, we can better serve our customers. As a converged company, we are also able to create growth opportunities, including quad-play offering, cross-selling and upselling. Furthermore, we are leveraging the knowledge and expertise of our parent companies.

We are adding value to our customers through each and every connection through our video, broadband internet, fixed-line telephony and mobile services. We enable our customers to connect with their loved ones and build new meaningful relationships and enjoy fantastic content and entertainment in familiar and refreshing ways, thereby creating more satisfying experiences for our customers. Our networks play a vital role in this regard. This has become more evident throughout the COVID-19 pandemic.

In this new reality connection is paramount and that is why we continue to invest in our customers and networks through our 1 Gigabit national roll-out program, nationwide 5G coverage, new SmartWiFi pods to maximize the in-home customer experience, a dedicated WiFi Crew, and ever faster internet speeds.

Observed in the changing consumer behaviour, where the home is now central to our work and personal life, but also connectivity being essential for economic prosperity and physical wellbeing. We are also looking at what more we can do. For example, connecting pupils with no internet at home with Ziggo WiFi-spots at no additional charge, teaching the elderly necessary digital skills, and providing our business customers with working from home solutions.

As of September 30, 2021, we have over 5 million mobile, nearly 4 million video, over 3 million fixed broadband internet and over 2 million fixed telephony subscribers.

a. Sustainability Strategy

Our networks are essential to the daily lives of millions of people as we support and connect the Dutch Gigabit society. Therefore, we will continue to invest in the coming years to ensure that our networks are faster, more reliable and future-proof. However, as the climate crisis needs to be addressed sooner rather than later, we recognise that we must invest in a more sustainable future. This is why we launched our new Corporate Social Responsibility ("CSR") strategy in 2020, under the title People, Planet, Progress. We have set two goals for 2025: to halve our impact on the environment and to help 2 million people move forward in society. The strategy is characterised by the integrated approach in which the entire organisation will contribute to achieving the goals, under the governance and oversight of our CSR committee.

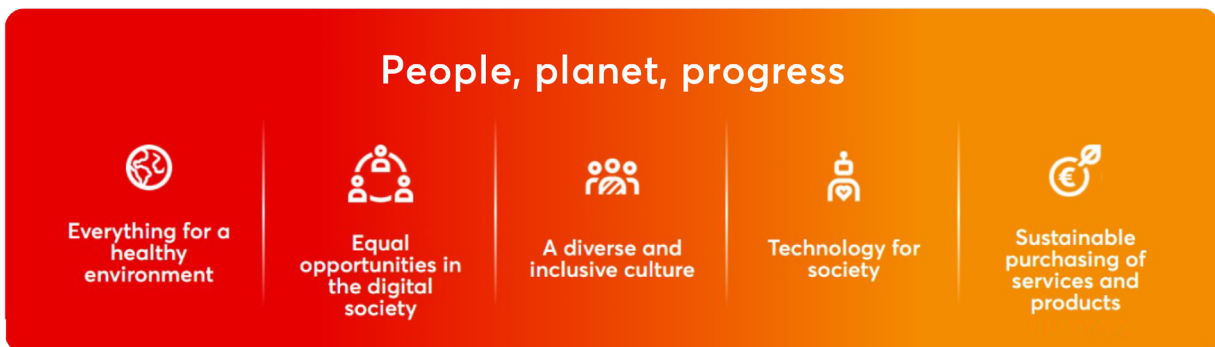
Building on these two goals for 2025 and our commitment to the Science Based Target initiative ("SBTi"), we plan to further eliminate our own carbon emissions and set a net zero commitment across our entire value chain. We expect to announce this ambition in mid-2022.



Ritchy Drost, VodafoneZiggo CFO, commented:

"With the launch of our Sustainable Finance Framework, we further strengthen our commitment to realise our People, Planet, Progress ambition. Through the issuance of funding instruments under the framework, we continue to build a sustainable capital structure whilst investing in the future and promoting the transition towards a low-carbon climate resilient growth."

We view CSR as an integral part of our entire strategy and business operations, as something that is high on the agenda with all our people. As CSR is integral to our business operations, our departments will contribute to the realisation of the goals on a day-to-day basis. All of our 8,000 employees will contribute to the ambitions of People, Planet, Progress. For many years and through various initiatives, we have promoted both environmental and social objectives to address urgent issues, such as climate change, waste, and diversity & inclusion. We do this based on five strategic pillars:



1. EVERYTHING FOR A HEALTHY ENVIRONMENT

We are aware that our products and services have an environmental impact. Natural raw materials are needed for every product that is manufactured, packed and transported and our services cannot function without good data centres. As a result, we emit CO₂, use natural resources and produce waste. We are aware of the detrimental impact this has on the environment and recognise the risks inherent in using natural capital. We do all we can to reduce this impact every year, our aim is to halve our environmental impact (measured in CO₂) by 2025, compared to our 2018 baseline. Just like its parent companies Vodafone Group and Liberty Global, VodafoneZiggo has also committed itself to the SBTi.

In this way, our goals and ambitions actually contribute to achieving the climate targets set in Paris in 2015 of keeping global temperature rise under 2°C (our aim is 1.5°C, the most ambitious goal of the Paris Agreement). Our environment policy ensures that we achieve the goals through three key objectives:

- **Continuous improvement of our operational activities:** ways we do this include implementing energy-saving measures such as installing energy-efficient equipment and smarter cooling systems, doing business in a more circular way and reducing waste flows
- **Enabling customers to make more environmentally friendly choices:** ways we do this include buying back used phones and giving them a second life, and refurbishing and recycling setup boxes

- **Inspiring and encouraging our people to work and live in an environmentally conscious way:** including by facilitating hybrid working and by limiting the use of lease cars to an absolute minimum by offering all employees – including our board – an unlimited Dutch public transport card. Around 80% of our employees actively make use of the transport card facility

Furthermore, we comply with important international rules such as the European Energy Efficiency Directive (“EED”), the Multiyear Agreement on Energy Efficiency (“MEE”), the international standard for environmental management systems (ISO 14001) and the international standard for energy management system (ISO 50001). We have received a certification for ISO 14001.

2. EQUAL OPPORTUNITIES IN THE DIGITAL SOCIETY

The digital society offers people endless possibilities. Those not up to speed with digital technology quickly fall behind and miss crucial opportunities. We want the whole of the Netherlands to have access to the digital society and reap the benefits of it, which is why we teach school children how to use the internet skillfully, safely, and carefully. We also make elderly people digitally literate and self-reliant. In order to reach as many people as possible, we are happy to share this knowledge – both personally and via our partners. That is why we organize programs where colleagues are teaching as volunteers or personally help elderly people to use the internet. In this way, we can all benefit from the digital transformation.

3. A DIVERSE AND INCLUSIVE CULTURE

Two topics that each year are placed higher on our agenda are diversity and inclusion. The COVID-19 pandemic and the strict lockdowns have also placed greater emphasis on shared social values, such as freedom, solidarity and equality. We believe we need to take a clear position in these debates. This is why we are actively pursuing a policy of diversity and are consciously showing diversity in our campaigns.

At VodafoneZiggo, we strive towards diversity in the broadest sense of the word. To provide a sense of focus and in order to be able to make a real difference, we concentrate on these four themes in particular:

- Gender equality
- LGBTQI+
- People at a distance from the labour market
- Ethnicity

We believe that teams drawn from many different backgrounds contribute to better decision-making, happier employees and improved performance. This is why we try to ensure that our workforce reflects the society in which we live and work. This is not always easy, but we are working hard on it. A diverse workforce not only achieves better results, but also helps us to attract the best people in the labour market, and to build a long-term bond with our customers.

4. TECHNOLOGY FOR SOCIETY

As a technology company, we play a crucial role in Dutch society. Connectivity and communication are essential to keep the economy and society running. Our network is necessary to be able to work at home, on the road or at the office. It is necessary to make home schooling possible, to relax and for (video) calling friends and family. We are also helping corporate Netherlands to move forward with our innovative solutions. Without our services, the Netherlands would grind to a halt. This is why VodafoneZiggo is doing all it can. By investing in fast, reliable and future-proof network. By listening carefully to the needs of consumers, business customers and society. And by developing innovative products and technological solutions that respond to their needs.

5. SUSTAINABLE PURCHASING OF SERVICES AND PRODUCTS

At VodafoneZiggo, we attach great value to an honest and ethically responsible value chain. We use our strong position within the market to exert a positive influence on all of the links within that chain, from suppliers right through to consumers.

The route that our products and services need to take before reaching customers must be both responsible and sustainable. This means, among other things, that everyone must be able to work safely and receive a fair wage and that we must spare the environment as much as possible, but also that we handle the privacy, security and health of our customers carefully. We realise that due to the size of our organisation, we can have a significant positive impact by means of our purchasing power. That is why we make sure that as many of the products we buy are sustainable and why we are working hard to make our procurement process more sustainable.

Everything we purchase must fulfil our sustainable and ethical standards, as detailed in our [Code of Sustainable and Ethical Purchasing](#), and we make agreements about the compliance of the code with our suppliers. Those agreements are not only about environmental impact, but also relate to working conditions, fair wages and safety. For example, we only purchase certified energy generated by European wind turbines. Whenever we collaborate with subcontractors to further expand our GigaNet, we make agreements about safety. In 2020, our suppliers carried out more than 250 workplace inspections during activities with a high risk profile. These activities include working at heights, working in confined spaces and working with electricity.




Furthermore, we collaborate closely with EcoVadis to ensure that we have greater transparency and reliable CSR insights into our supply chain. Subsequently, we can focus on improving the CSR performance of our supply chain by challenging our suppliers and creating an increasing awareness among them. This enables us to increase our indirect impact on the chain and to accelerate the shift towards a sustainable future. All EcoVadis scores are being considered when making purchase decisions. Our CSR insights and the CSR performance of our suppliers will thus play a big role in how and with whom we do business.

In short, VodafoneZiggo is committed to its Corporate Sustainability, focusing on our Environmental, Social and Governance ("ESG") policies to ensure a more sustainable business performance. We believe that ESG driven decision making drives a more sustainable business performance.

On the below chart we clarify specific targets to highlight our ESG policies and commitment. Within our Energy Management Program we maximize energy efficiency, savings and innovations by effectively managing all energy related topics, including: processes, projects, tools and contracts:

- We are committed to achieve a 2% energy efficiency improvement every year and to deliver more than 280 terajoule of energy savings by 2025
- We are focused on reducing greenhouse gas emissions and we use 100% wind energy
- We offer an unlimited Dutch public transport card for all employees to encourage and promote the use of public transport. Around 80% of our employees actively make use of this facility
- E-waste management is seen as a shared responsibility and as a result we refurbish set-up boxes and modems and use eco-friendly packaging. We also offer a financial incentive to our customers for selling their old smart phones back to us

Data security is an important social topic and we have policies and procedures in place to comply with the applicable regulations related to processing personal data of our customers and employee. Furthermore, as part of CSR governance, we have established a CSR committee overseeing the delivery of the People, Planet, Progress program throughout VodafoneZiggo.

Environmental	Social	Governance
<p>1. Energy efficiency </p> <ul style="list-style-type: none"> Committed to achieving a 2% energy efficiency improvement every year e.g.: <ul style="list-style-type: none"> Introduction of new technology to our sites to reduce total energy expenditure of cooling Identify old equipment to be replaced with energy efficient innovations <p>2. Greenhouse gas (GHG) emissions </p> <ul style="list-style-type: none"> Procure 100% EU wind energy Unlimited public transport card for all employees Compensation CO₂ emissions by Gold Standard certificates <p>3. Managing e-waste </p> <ul style="list-style-type: none"> Share responsibility for safe and environmentally friendly handling of end-of-life electronic hardware for example: <ul style="list-style-type: none"> Refurbishing of set-up boxes and modems Return rate of the media boxes is >80% Eco friendly packaging Customer incentives to swap old smartphones with us 	<p>1. Employees</p> <ul style="list-style-type: none"> Supporting a diverse and inclusive culture; diversity policy in place <p>2. Society</p> <ul style="list-style-type: none"> Developed several programs in collaboration with other parties to promote digital skills for children, elderly and families We set requirements for suppliers through our sustainable and ethical purchasing code and engage with them on a regular basis <p>3. Customers</p> <ul style="list-style-type: none"> Investing in making products and services more accessible while also being committed to protecting customer privacy and maintaining data security <ul style="list-style-type: none"> Data Protection Officer to oversee privacy and data protections issues Security Team focused on continuous development of security policies and controls and training of employees 	<p>The Supervisory Board's role is to provide advice and supervise the management board. The board consists of eight members (4 male and 4 female)</p> <p>The Senior Leadership Team ("SLT") includes the management board, consisting of the CEO, CFO and eight board members representing various business units</p> <p>CSR committee consists of four SLT members, reporting into our Executive Leadership Team</p> <ul style="list-style-type: none"> Supported by network of employees with shared responsibility for CSR delivery throughout our company <p>Annual Corporate Responsibility report</p> <ul style="list-style-type: none"> Limited Independent assurance from our auditor on our consumption and greenhouse gas emission data Annual Corporate Responsibility based on the principles on Global Reporting Initiative (GRI) Standards <p>Annual Report including all relevant non-financial data</p> <p>Anti-Corruption Policy and Code of Conduct (including Code of Ethics) publicly available</p>

b. Rationale for Green and Sustainability-Linked Financing

The creation of this Sustainable Finance Framework (the "Framework"), which is an update to our previous Green Bond Framework (published in December 2020), is a consistent tangible step to our commitment to sustainability and to mobilise all of its stakeholders around this objective.

The Framework covers Green and Sustainability-Linked Financing in various formats and currencies, and allows the alignment of our funding instruments with our material sustainability topics, related investments and targets. By further committing to our sustainability ambitions (both internally and externally) and reinforcing engagement with investors and other stakeholders, we believe any issuance under the framework will accelerate our journey towards our sustainability ambition.



Green Finance Framework



Green Finance Framework

To support our sustainability strategy, VodafoneZiggo has established this Green Finance Framework, under which VodafoneZiggo and/or its subsidiaries can issue or borrow Green Finance Instruments to finance or refinance eligible green projects, enabling us to meet our environmental objectives. The Framework is aligned with the International Capital Market Association ("ICMA") Green Bond Principles ("GBP") published in June 2021¹ and the Loan Markets Association ("LMA") Green Loan Principles published in February 2021² which are a set of voluntary guidelines that recommend transparency and disclosure, and promote integrity in the development of the green finance market.

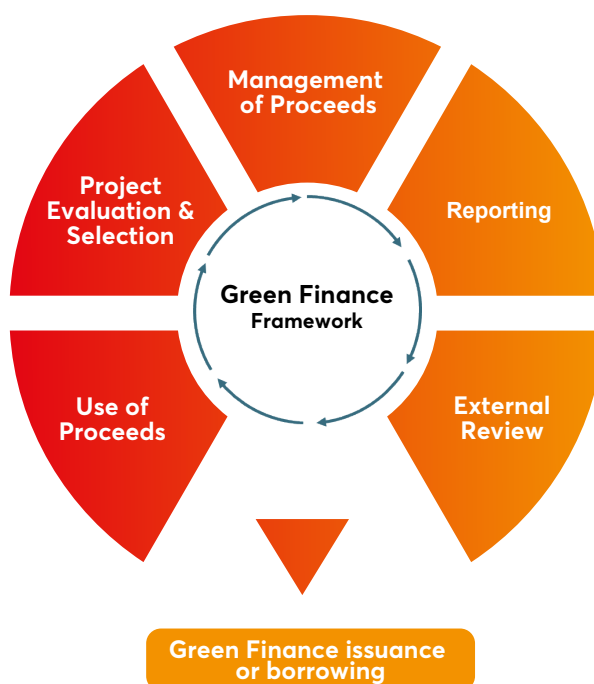
The Framework is presented through the four core pillars of the principles:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting

The framework will also follow the recommendations of the principles regarding external review.

The Framework outlines VodafoneZiggo's commitments with respect to any green finance instruments that will be issued or borrowed.

This Framework may be further revised or updated to reflect changes in corporate strategy, technology and market developments on a best effort basis.







¹ <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

² https://www.lma.eu.com/application/files/9716/1304/3740/Green_Loan_Principles_Feb2021_V04.pdf

a. Use of Proceeds

VodafoneZiggo will finance or refinance Eligible Green Projects that support the transition towards low-carbon climate resilient growth with lower environmental impact. Eligible Green Projects may include eligible green operational expenditures, capital expenditures and assets. The net proceeds or an amount equal to the net proceeds raised through any green finance instruments will be allocated to the financing and refinancing of Eligible Green Projects as defined below:

GBP category	Eligibility Criteria	Contribution to the UN SDG's
Renewable Energy	<ul style="list-style-type: none"> - Initiatives to improve the energy mix through energy agreements focussed on European windfarms, and investment in electricity generation from renewable sources such as solar and wind 	
Energy Efficiency	<p data-bbox="461 1043 1169 1155">Internet of Things – development and operation of networks, services and products that are specific to enabling IoT, helping our customers to manage energy more efficiently and reduce their emissions</p> <ol style="list-style-type: none"> <li data-bbox="461 1189 1114 1245">1. Network and platform projects that enable IoT such as, but not limited to: <ul style="list-style-type: none"> <li data-bbox="461 1279 1169 1480">- Low Power Wide Area ("LPWA") communication. The two key LPWA technologies are Narrowband IoT ("NB-IoT") and LTE for Machine Type Communications ("LTE-M"). In combination with Vodafone Group IoT Connectivity Platform and Global SIM, these investments support industry automation, smart metering, smart lighting, smart cities, sharing economy (e.g. shared bikes) etc <li data-bbox="461 1514 1169 1626">- Mobile Private Networks ("MPN") support various sectors and industries dealing with sensor data monitoring, tracking, robotics, self-driving or autonomous guided vehicles ("AGVs"), connected workers and more <li data-bbox="461 1659 1169 1798">- Multi Access Edge Computing ("MEC") moves the cloud closer to the device, reducing latency, increasing speeds and near real-time decision making, with no need to cross the network. Furthermore, computing can be moved off device to more efficient edge servers 	  

2. IoT solutions and products offering both platform and end-to-end solutions such as, but not limited to:





- Utilisation of big data and artificial intelligence to create a platform with a comprehensive development toolset enabling solutions that contribute to maximise energy efficiency, such as: smart data, smart metering, smart agriculture, logistics, mobility, fleet management and smart cities

Invest and operate energy saving software to improve energy efficiency of everyday operations. Examples include, but are not limited to:

- Remote management and data management applications
- Machine learning and artificial intelligence ("AI") applications to reduce energy consumption
- Evaluation of Self Organizing Network ("SON") including AI dynamic power management (active network demand pattern recognition to dynamically switch between power modes)
- Servers virtualization, Radio Access Network ("RAN") sharing and further power saving features

Network transformation (both fixed and mobile networks) that results in energy efficiency, including but not limited to modernisation of network related to broadband, video and telephony services, as well as energy efficient data centers and rationalization of passive network infrastructure. Examples include, but are not limited to:

- Modernisation of Customer Premise Equipment including cooling optimization, efficient power amplifier, modernization of active antenna and projects related to digital process transformations
- Retrofitting of legacy networks for fixed and mobile, including placement of legacy radio equipment and investments in 'PowerCube' hybrid technology, which integrates energy supply with onsite battery storage, lithium-ion, lead carbon, flow batteries, fuel cells and large scale energy storage
- Giganet: Shutting down old analogue technology, improving our spectrum efficiency by expanding fixed spectrum bandwidth to 1.2 GHz and acquiring new mobile spectrum licenses enabling 5G, replacing EuroDocsis 3.0 while implementing Docsis 3.1 and future network upgrade technologies
- Increasing energy efficiency & reducing energy consumption through the decommissioning & consolidation of fixed and mobile network sites, and reduction in floor space
- Energy Efficient Measures including, not limited to: upgrade properties to improve Power Usage Effectiveness ("PUE") with a targeted PUE of <1.5 by 2025, power & cooling optimisation, use of base station free air cooling (e.g. adiabatic), smart metering solutions, smart energy management, LED lighting, Infrastructure optimization, and reduction overall location footprint
- Energy efficient data centres that are certified to ISO 14001 and comply with the expected practices of the European Code of Conduct on Data Centre Energy Efficiency and ISO 50001

Clean transportation	<ul style="list-style-type: none"> - Electric vans and bikes for technicians - Green lease policy allowing new electric vehicle lease cars only as of 2022 	
Circular economy adapted products, production technologies and processes and/or certified eco-efficient products	<ul style="list-style-type: none"> - Initiatives to support the recycling of packaging - Initiatives to reduce E-waste (e.g. refurbishing and recycling of set up boxes and mobile phones) - Initiatives to reduce plastic usage and/ or waste in the value chain 	
Green Buildings	<ul style="list-style-type: none"> - Ensure that buildings are certified in accordance with "recognised energy saving measures" at a minimum C rating by 2023 - Invest in New Build Office buildings that have an energy label of A+ 	
		

b. Process for Project Evaluation and Selection

Projects financed through the net proceeds or an amount equal to the net proceeds of any Green Finance Instrument(s) issued or borrowed under this Framework will be evaluated and selected based on compliance with the eligibility criteria outlined above.

VodafoneZiggo has established an inter-departmental Sustainable Finance Committee (the "Committee") which will oversee the selection of Eligible Green Projects in accordance with the eligibility criteria described above.

The Committee is comprised of representatives from VodafoneZiggo's Corporate Finance, Corporate Social Responsibility, Network, Human Resource, Business Control and Legal teams.

The Committee monitors the Eligible Green Assets / Projects Portfolio after each reporting period and is also responsible for:

- Reviewing and updating the content of VodafoneZiggo's Green Finance Framework and updating it to reflect changes in corporate strategy, technology and market developments on a best effort basis
- Excluding projects or assets that no longer comply with the Eligibility Criteria or have been disposed of and replacing them on a best-efforts basis

The Committee will meet at least on an annual basis.

VodafoneZiggo's due-diligence processes support the mitigation of environmental and social risks potentially associated with the Eligible Green Projects through their basis in supporting compliance with national and international legislation.

Project evaluation and selection complies with VodafoneZiggo's corporate and sustainability objectives as well as with applicable national, European and international environmental and social standards and regulations, to ensure management of potential negative environmental and social impacts. VodafoneZiggo's sustainability guidelines and policies underpin the framework and serve as minimum standards for all business processes, including those financed with the proceeds of Green Finance Instruments issued or borrowed under this Framework.

Examples of internal policies and guidelines, which mitigate social and environmental risks potentially associated with Eligible Green Projects include:

- Code of Sustainable and Ethical Purchasing: Sets out suppliers' obligations in relation to social, environmental and ethical compliance to promote safe and fair working conditions and the responsible management of social, environmental and ethical issues in our supply chain
- Code of Conduct: Our code of conduct includes principles on the basis we operate, including our values, compliance with the law (competition law, anti-bribery and corruption), compliance procedures in processing personal data of our customers and employee (privacy statement, data privacy, data loss prevention, data retention and data use approval codes) as well as business ethics. Furthermore, we comply with and have received a certification for ISO 27001, the international standard for information security management systems
- Health, Safety and Wellbeing Policy: Create safe and healthy working conditions for all our employees in all locations, to proactively prevent any work-related accidents, injuries sick leaves and health damage

- **Business and Technology Resilience Policies:** Address the requirements to protect against the impact of emergencies and disruptions to critical business, network and IT operations by taking preventive measures when feasible or through effective and timely response to an emergency or a crisis
- **E-waste Policy:** Sets out guideline to promote prevention and minimisation of waste and how to effectively manage e-waste and associated hazards across VodafoneZiggo
- **Employee Mobility Policy:** Encourage and promote the use of public transport through the provision of unlimited public transport card for all employees
- **Green Lease Policy:** Encourage and promote the use of electric vehicle cars across VodafoneZiggo
- **Charitable Donations & Partnership Policy:** Outline the process for conducting any form of charitable contribution, either financial or by other means and address the risk of the Vodafone Netherlands Foundation failing to achieve its charitable purpose and deliver public benefit due to the inappropriate or ineffective use of funds

c. Management of Proceeds

Green Finance Instrument proceeds will be managed by VodafoneZiggo using a portfolio approach. Tracking of Eligible Green Projects will take place using a Green Finance Register. VodafoneZiggo intends to allocate the net proceeds or an amount equal to the net proceeds of Green Finance Instruments to an Eligible Green Project portfolio, selected in accordance with the use of proceeds criteria and evaluation and selection process presented above. Refinancing of eligible green operational and capital expenditures will have a look-back period of no longer than 36 months from the time of issuance or borrowing. Eligible green assets will qualify with no lookback period.

VodafoneZiggo will strive, over time, to achieve a level of allocation for the Eligible Asset Portfolio which, after adjustments for intervening circumstances matches or exceeds the balance of net proceeds from its outstanding Green Finance Instruments.

VodafoneZiggo will aim to achieve full allocation for all Green Finance Instruments within 36 months of the issuance or borrowing date. Any portion of the net proceeds or an amount equal to the net proceeds of Green Finance Instruments that have not been allocated to Eligible Green Projects will be managed in accordance with VodafoneZiggo's standard liquidity management practices.

d. Reporting

VodafoneZiggo will make and keep readily available reporting on the allocation of the net proceeds or an amount equal to the net proceeds of Green Finance Instruments to the Eligible Green Projects Portfolio and reporting on the impact of the Eligible Green Projects Portfolio. The reporting will be made available within one year from the issuance or borrowing of any Green Finance Instruments and will be updated annually until full allocation of the Green Finance Instruments net proceeds or an amount equal to the net proceeds. The reporting will be on a portfolio basis, as described in the ICMA's "Handbook - Harmonized Framework for Impact Reporting (June 2021)". The reports will be available on VodafoneZiggo's website (www.vodafoneziggo.com) and will include:

ALLOCATION REPORTING

- Total amount allocated to the Eligible Green Projects Portfolio, reported by project category
- Share of net proceeds or an amount equal to the net proceeds used for financing vs. refinancing
- Balance of unallocated proceeds

IMPACT REPORTING

On a best effort basis, VodafoneZiggo intends to report on the environmental impacts achieved by Eligible Green Projects funded. The impact reporting will include a description of Eligible Green Projects and impact metrics such as listed below. Where relevant, information may be provided on data reporting, and impact assessment methodologies, to increase transparency. Impact indicators may include:

Renewable energy	<ul style="list-style-type: none"> - Renewable energy generation (MWh per year) - Installed renewable energy capacity (MW) - Estimated avoided/reduced carbon emissions (in tCO₂e)
Energy efficiency	<ul style="list-style-type: none"> - Tons of CO₂ equivalent emission /terabyte (mobile network) - Tons of CO₂ equivalent emission / RGU³ (fixed network) - Energy use per terabyte/ annum (in MWh) - Estimated avoided/reduced carbon emissions (in tCO₂e)
Clean transportation	<ul style="list-style-type: none"> - Number of electric vehicles - Estimated GHG emissions compared to baseline (tCO₂e)
Circular economy adapted products, production technologies and processes and/or certified eco-efficient products	<ul style="list-style-type: none"> - Amount of waste avoided (tonnes)
Green buildings	<ul style="list-style-type: none"> - Estimated ex-ante annual energy consumption in KWh - Estimated avoided/reduced carbon emissions (in tCO₂e) - Overview of sustainable labels and certificates for eligible buildings, and square meter of green buildings by certification type

e. External Review

VodafoneZiggo has engaged an external verifier to review the Green Finance Framework. The independent Second Party Opinion on the Framework's environmental credentials and its alignment with the Green Bond Principles and Green Loan Principles has been received from Sustainalytics. The document is available on VodafoneZiggo's website, along with the Green Finance Framework.

On an annual basis, an independent auditor will review allocation of proceeds towards Eligible Green Projects, and provide at least a limited assurance report, as provided in the annual allocation report until full allocation of the Green Finance Instruments net proceeds or an amount equal to the net proceed.

³ Revenue Generating Units (RGU) are separately a Basic Video Subscriber, Enhanced Video Subscriber, Internet Subscriber or Telephony Subscriber. A home, residential multiple dwelling unit, or commercial unit may contain one or more RGUs.



Sustainability-Linked Finance Framework

Sustainability-Linked Finance Framework

In line with its sustainability commitments and strategy, VodafoneZiggo has put in place a Sustainability-Linked Finance Framework to link VodafoneZiggo's and/or its subsidiaries' funding with its sustainability objectives, leveraging ambitious timelines to achieve sustainability performance that is relevant, core, and material to its business.

This Framework is aligned with the five core components of the Sustainability-Linked Bond Principles published by the ICMA in June 2020⁴ and the Sustainability-Linked Loan Principles, as published by the LMA in May 2021⁵:

1. Selection of Key Performance Indicators ("KPIs")
2. Calibration of Sustainability Performance Targets ("SPTs")
3. Characteristics of the Sustainability-Linked Financing
4. Reporting
5. Verification

a. Selection of Key Performance Indicators (KPIs)

VodafoneZiggo has identified the tonnes of carbon dioxide equivalent (tCO₂e) KPI that is material to its core sustainability and business strategy and address the relevant environmental challenges of the sector.

⁴ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-bond-principles-slbp/>

⁵ https://www.lma.eu.com/application/files/8416/2210/4806/Sustainability_Linked_Loan_Principles.pdf

KPI: Tonnes of carbon dioxide equivalent (tCO₂e)

• Methodology:

Standards and guidance

The reporting criteria used in connection with sustainability performance are the reporting criteria based on the definitions in the Greenhouse Gas Protocol and are the ones we use internally.

Data gathering process and methods

All of the data reported are taken from our internal measurements, calculations, measurements provided by third parties or determined via our internal systems.

• Baseline and historical data⁶

Tonnes of CO ₂ e	2018	2019	2020
Scope 1	12,536	12,457	9,668
Scope 2	274	673	1,056
Scope 3 ⁷	115,698	92,249	75,376
Annual gross emissions	128,508	105,379	86,100

Reporting period: 31st December financial year end.

• Materiality to business:

Climate change is not a trend that we may possibly have to deal with in the future. Climate change is here and now and demands our attention on an ongoing basis. In order to combat climate change, we all have to work together to ensure that we achieve the climate goals set in the Paris Agreement of keeping global temperature rise under 2°C.

Our ecological footprint contributes towards climate change, which is why we must reduce our CO₂ emissions as quickly as possible. That is something we are extremely aware of as an organisation. We generate emissions because we make use of, among other things, gas, electricity, coolants and fuel for business trips and commuting.

• Strategic significance:

Our ambition is to halve our environmental impact by 2025. We are working on these key objectives in more than 50 ways. For example, we are constantly reducing our waste across the organisation, and using energy more efficiently every year. We only use wind energy and we operate in a climate neutral way.

In order to achieve this ambitious objective, we will maintain our vigorous efforts in the next few years to reduce our footprint even further by maximising efficiencies in our fixed and mobile networks and by improving energy efficiency within our entire chain. One of the ways we will achieve this is by investing in CO₂-neutral services and by making our products more sustainable.

In May 2021, VodafoneZiggo set an approved 2025 Science-Based Target in line with reductions required to limit global warming increases to 1.5°C above pre-industrial levels, the most ambitious goal of the Paris Agreement. Just like its parent companies Vodafone Group and Liberty Global, VodafoneZiggo has also committed itself to the SBTi. In this way, our goals and ambitions actually contribute to achieving the climate targets set in Paris in 2015 of keeping global temperature rise under 2°C (the aim is 1.5°C).

Building on our ambition for 2025 and our commitment to SBTi, we plan to further eliminate our own carbon emissions and set a net zero commitment across our entire value chain. We expect to announce this ambition in mid-2022. In addition, also at the group level Liberty Global has committed to net zero targets across scope 1 and 2 by 2030, with a further plan to include Scope 3 in their commitment by mid-2022 and Vodafone Group has committed to net zero by 2030 for its own operations and for full carbon footprint by 2040. We will contribute to realising their net zero targets as our scope 1 and 2 carbon footprint is included in both of our parents' scope 3 disclosure for 50% each.

⁶ The Scope 3 reported in this framework reflect the emissions against which VodafoneZiggo's Science Based Targets have been set. However, VodafoneZiggo has historically disclosed a broader set of emissions as part of its Scope 3 in its annual reporting to date. The discrepancy results from the inclusion of Scope 3 emissions related to phones sold by VodafoneZiggo in historical reporting, but the exclusion of these emissions from the setting of our Science Based Targets, given the limited influence we have over the hardware producers.

⁷ VodafoneZiggo plans to have its comprehensive scope 3 CO₂e emissions externally assured for the first time in the course of 2022. As a result of this exercise, it may be possible that adjustments to the calculation for scope 3 emissions may be made which potentially impact the baseline figures. In the event that the exercise results in adjustments to the baseline, VodafoneZiggo will disclose the rationale to the note holders upon request.

b. Calibration of Sustainability Performance Targets (SPTs)

SPT (a) : To reduce our absolute Scope 1 and 2 emissions by 50% by 2025 against a 2018 baseline

SPT (b) : To reduce our absolute Scope 3 emissions by 50% by 2025 against a 2018 baseline

CALIBRATION

VodafoneZiggo's sustainability goals are in line with the Paris Agreement aimed at reining in global warming. This is the verdict of the SBTi⁸, after analysing the objectives that we have set for the emission of pollutants. The SBTi is a collaboration between CDP, the United Nations Global Compact, World Resources Institute ("WRI") and the World Wide Fund for Nature ("WWF"). The SBTi defines and promotes best practice in science-based target setting and independently assesses companies' targets in line with the latest climate science.

The SBTi states that VodafoneZiggo's goals will help achieve the reductions required to limit global temperature rise to 1.5°C. This is the most ambitious goal of the Paris Agreement, which was adopted by the United Nations in 2015. CO₂ reduction has been a top priority of VodafoneZiggo for many years, which has been operating on a climate-neutral basis since 2019.

VodafoneZiggo commits to reduce absolute scope 1, 2 and 3 GHG emissions by 50% by 2025 from a 2018 base year. And we commit to continue annually sourcing 100% of our electricity from renewable sources through and beyond 2025.

STRATEGY TO ACHIEVE THE SPTS

Our environment policy ensures that we achieve the goals through three key objectives:

- Continuous improvement of our operational activities: ways we do this include implementing energy-saving measures such as installing energy-efficient equipment and smarter cooling systems, and doing business in a more circular way and reducing waste flows
- Enabling customers to make more environmentally friendly choices: the way we do this is by buying back used phones and giving them a second life and refurbishing and recycling setup boxes

⁸ Science Based Targets Initiative, VodafoneZiggo available at: <https://sciencebasedtargets.org/companies-taking-action#table>

- Inspiring and encouraging our people to work and live in an environmentally conscious way: including by facilitating hybrid working and by limiting the use of lease cars to an absolute minimum by giving all employees – including our board – a Dutch public transport card for unlimited travel, introducing electric cargo bikes for our technicians, providing technical support and customer service remotely as well as introducing Green Lease Policy to encourage and promote the use of only electric vehicle cars across VodafoneZiggo in instances where transport cards are not being used

MAIN RISKS TO REACHING THE TARGET

- Change in renewable energy and/or carbon pricing: increased prices vs traditional electricity supply
- Strategic transformation: organisational transformation and portfolio activity (such as integrations, mergers or separations)
- Scope 3: Our operation is dependent on a wide range of global suppliers. Disruption to our supply chain could mean that we are unable to execute our strategic plans, resulting in increased Scope 3 emissions
- Adverse political and regulatory measures impacting our strategy

c. Characteristics of the Sustainability-Linked Financing

For each Sustainability-Linked Finance Instrument issued or borrowed under this Framework VodafoneZiggo may use a single SPT or a combination of multiple SPTs.

The financial characteristics of VodafoneZiggo's Sustainability-Linked Finance Instruments may vary depending on whether or not the KPI reaches the predefined SPT(s). They are to be specified in the final terms of each Sustainability-Linked Finance Instrument issued or borrowed. The financial characteristics of Sustainability-Linked Finance Instruments may include coupon step-up(s), coupon step-down(s) and/or may lead to a higher or a lower redemption price payable in the optional redemption price in the case of notes.

For the avoidance of doubt, the final terms will be specified in the Offering Memorandum and / or Pricing Schedule pertaining to each note tranche or the loan agreement pertaining to each loan, as applicable.

If, for any reason, the performance level against each SPT cannot be calculated or observed, or not in a satisfactory manner (non-satisfactory manner to be understood as a verification assurance certificate provided by the independent auditor containing a reservation or the independent auditor not being in a position to provide such certificate), a financial step-up will be applicable. If, for any reason, VodafoneZiggo does not publish the relevant SPTs within the time limit as prescribed by the terms and conditions of the notes, a financial step-up will be applicable.

d. Reporting

VodafoneZiggo will communicate annually on the relevant KPI and SPTs, making up-to-date information and reporting available on its annual Impact Report, published on its website.

VodafoneZiggo's annual Impact Report will include the performance of the selected KPI, including baselines where relevant, covered by an assurance statement of the independent auditor. Following a target observation date, a verification assurance certificate confirming whether the performance on the KPI meets the relevant SPT will be published on VodafoneZiggo's website.

Any information enabling investors to monitor the level of ambition of the SPTs (e.g. any update in VodafoneZiggo's sustainability strategy or on the related KPI/ESG governance, and more generally any information relevant to the analysis of the KPI and SPTs) will also be published on VodafoneZiggo's website.

e. Verification

This Framework and the associated annual reporting will benefit from three layers of external verification:

Second Party Opinion by a recognised ESG agency on the alignment of the Framework and the associated documentation with the Sustainability-Linked Bond Principles and Sustainability-Linked Loan Principles, including an assessment of the relevance, robustness and reliability of selected KPI, the rationale and level of ambition of the proposed SPTs, the relevance and reliability of selected benchmarks and baselines, and the credibility of the strategy outlined to achieve them, based on scenario analyses, where relevant.

An assurance statement by an independent auditor on the KPI information included in our annual Impact Report published on our website.

A verification assurance certificate by an independent auditor confirming whether the performance of the KPI meets the relevant SPTs, published on our website following a target observation date.

For both assurance statement and verification assurance certificate, we commit to having at least a limited assurance report provided by the independent auditor.



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