



Conflict Mineral Policy

Verizon shares the concerns of many companies throughout the electronics and telecommunications industries – including some of our largest suppliers – regarding metals derived from “conflict minerals” – tin, tantalum, tungsten and gold, or their derivatives – that may directly or indirectly finance or benefit armed groups in the Democratic Republic of the Congo (or adjoining country).

Verizon supports the goals of Section 1502 of the Dodd-Frank Act, which requires public companies like Verizon to exercise diligence over the supply chains of products they contract to manufacture, and wishes to reinforce industry efforts support such goals. In this regard, Verizon is a member of GeSI (Global e-Sustainability Initiative), a coalition of private sector companies that have worked together to identify several “clean” (conflict-free) sources for tantalum, which is an important conflict mineral used in various electronic equipment, and to support pilot “bag and tag” programs that can add crucial visibility on a mineral’s ultimate source.

Verizon has also joined the Public-Private Alliance for Responsible Minerals Trade (PPA). The PPA is a joint initiative of the U.S. State Department, the U.S. Agency for International Development, private sector companies and trade associations, civil society, and the International Conference on the Great Lakes Region. These organizations are collectively calling for action to address conflict minerals concerns while delivering solutions that benefit those involved in responsible minerals trade in the Democratic Republic of Congo and the Great Lakes Region of Central Africa.

As these solutions are improved, the supply chain becomes more transparent and our manufacturers can better identify the sources of minerals in our mobile phones and other products, Verizon and other companies will be able take additional proactive measures to address this challenging problem.

The following sets forth the vendor-facing aspects of our Conflict Minerals policy:

- Suppliers are to establish appropriate policies, data exchange methods, due diligence frameworks, risk mitigation strategies and management systems designed to accomplish the goal of supply chain transparency. These should be consistent with an internationally recognized diligence framework, such as the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and its applicable supplements (see <http://www.oecd.org/daf/inv/mne/mining.htm>). We expect these frameworks to further develop over time, and Suppliers should track and adopt necessary changes as appropriate.

- Understanding the minerals supply chain requires building awareness of the smelters/processors involved. A key expectation of Verizon is that Suppliers will work with sub-suppliers to attain traceability of conflict minerals to the smelter level by, for example, using the EICC-GeSI Conflict Minerals Reporting Template and Dashboard (see materials located at www.conflictreesmelter.org). We also expect these methods of supply chain investigation to develop over time.
- Suppliers are to communicate their own policies and expectations down to their sub-suppliers, reflecting their commitment to responsible sourcing of minerals. Further, Suppliers are to actively engage on such matters by implementing and maintaining sub-supplier management systems that produce actionable, reportable information regarding the minerals supply chain. Suppliers should establish appropriate objectives and targets, regularly measure and assess sub-supplier performance, and practice continual improvement in pursuit of “conflict free” supply chains.

Verizon does not typically manufacture its own products. Accordingly, enhancing our supply chains’ visibility and sustainability requires a collaborative effort with Suppliers. Suppliers must be prepared to assist Verizon in meeting the conflict minerals reporting requirements of the Dodd-Frank Act, as well as other national or international mineral reporting regimes that may arise in the future.

In those cases where Verizon exercises a higher degree of influence over the manufacture of a product, our engagements with Suppliers will be particularly robust. Suppliers are to promptly provide clear, timely, accurate, and appropriate reporting to Verizon when requested regarding the smelters and facilities within their minerals supply chain, as well as steps taken to investigate the source and chain-of-custody of such minerals, and to address “red flags” indicating potential exploitation by armed groups. Verizon supports “in-region” sourcing programs which are intended to assure that the legitimate mining economy within the Congolese region is sustained.

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