



Verizon UK Limited Modern Slavery Act Statement for the Financial Year ending 31 December 2016

1: Opening statement from senior management

Verizon is committed to preventing acts of modern slavery and human trafficking from occurring within its business and supply chain. The digital world promises a better, more connected life, and we are delivering it. We make it possible for people to stay in touch and businesses to connect with their customers. We work better because our team is comprised of people from diverse backgrounds and experiences. We work with suppliers who follow the highest ethical standards.

2: Structure of the organisation

Verizon UK Limited is a leading company in the telecommunications sector. It is a UK operating company in the Verizon Communications Inc. (NYSE: VZ) group of companies ("Verizon Group"). Verizon UK employs 1283 people. This statement is submitted on behalf of, and applies to, Verizon UK, and further describes actions taken by the Verizon Group on behalf of its subsidiaries, including Verizon UK, in respect of supply chain due diligence.

Verizon UK has a global annual turnover of £412,698,000 for the 2015 fiscal year. To find out more about the nature of our business, please go to <http://www.verizonenterprise.com/uk/>.

In order to provide our services, we contract with a broad range of suppliers including telecommunications equipment manufacturers, technology solutions providers, professional services organisations, outsourcing specialists, network engineering vendors, facilities management vendors. Contracting with suppliers, and diligence activities with respect to our supply chains, are conducted primarily by functions at a Verizon Group level.

3: Policies

As part of our commitment to combating modern slavery, we have implemented and enforced the following policies:

The Verizon employee Code of Conduct defines our ethical business practices.

<https://www.verizon.com/about/our-company/code-conduct>

We work with suppliers who promise to follow the highest ethical standards. Our Supplier Code of Conduct defines the ethical business practices that our suppliers must adhere to.

<http://www.verizon.com/about/sites/default/files/Verizon-Supplier-Code-of-Conduct.pdf>

The Supplier Code has been developed by the Verizon Group over many years, and was changed in 2013 to reflect ILO labour standards, including those regarding the elimination of child labour and forced labour.

Our Supplier Code is the primary mechanism used by the Verizon Group to ensure suppliers promote ethical conduct in the workplace, safe working conditions and the treatment of workers with respect

and dignity. It is our general practice to incorporate the Supplier Code into our procurement contracts and purchase orders.

Under the Supplier Code, Suppliers are required, and the public is encouraged, to report violations of the standards in our Supplier Code to the Verizon Group's Office of Ethics and Business Conduct through the Verizon Compliance Guideline at 844-VZGUIDE (844.894.8433) (within the U.S.), (+)800.0.624.0007 (outside the U.S.), or online at www.verizonguideline.com. Such reports may be made anonymously. Under the Supplier Code, Suppliers are further bound to prevent any retaliation against whistle-blowers.

4: Due diligence

As part of our efforts to monitor and reduce the risk of slavery and human trafficking occurring within our supply chains, we have adopted the due diligence procedures described below.

Our procedures and policies are designed to:

- establish and assess areas of potential risk in our business and supply chains
- monitor potential risk areas in our business and supply chains
- reduce the risk of slavery and human trafficking occurring in our business and supply chains
- provide adequate protection for whistle-blowers

The Verizon Group is engaged in an ongoing assessment of the nature and extent of its exposure to the risk of modern slavery occurring in its supply chain by reviewing with our supervisory procurement personnel areas of the Verizon Group's supply chain that are (i) international and (ii) high-turnover in nature, and (iii) where Verizon had the greatest leverage to influence the actions of such supply chain. We sent out surveys to certain suppliers that, based on our assessment, most reflected the above three factors, in particular with respect to call-centers and suppliers of IT-development services.

An example of an area of the Verizon Group's supply chain where these three factors were indicated is contract manufacturing. We periodically audit direct contract manufacturing suppliers. We further selected second-tier suppliers in this area, to test compliance with our Supplier Code and certain provisions of the Electronic Industry Citizenship Coalition Code of Conduct. This activity includes visual inspections of the manufacturing and office floors for potential underage workers as well as health and safety concerns (noise levels, hazardous chemicals, machine safeguarding, etc.), requests for personnel record checks of sampled employees and review of working hours records of factory employees focusing on excessive overtime.

Some of these observations have led to Verizon immediately disqualifying current suppliers, excluding certain suppliers from potential business with Verizon, or development of an action plan for the supplier to address and close within an agreed upon timeframe. In addition, we have updated our audit protocol with respect to such activities to add greater focus on modern slavery matters.

Verizon is a member of the Joint Audit Cooperation (JAC) program, an association of thirteen large telecommunications operators who share resources to develop and enforce standards and best practices within the information communication technology supply chain. The audit activities cooperatively assess and verify compliance with recognized labour, social and environmental standards, including with respect to forced labour, underage labour, and working hours. Members of JAC fund shared assessments and audits of their common suppliers; audits are conducted by independent auditors. JAC reduces redundancy and increases efficiency in supply-chain audit approaches by auditing shared suppliers once per cycle, using uniform protocols and methods.

5: Risk and compliance

In general, we respond to suspected or actual violations of our Supplier Code in a flexible manner appropriate for the nature of the violation. While egregious violations can result, and have resulted, in Verizon exiting a supplier relationship, most noncompliance is addressed by investigation and where appropriate the establishment of a corrective action plan.

6: Training

We developed training in 2016 to assist our procurement employees in recognising the risks of modern slavery and human trafficking in our business and supply chains, and to assist in the risk assessment described above. The training also focuses on the procurement team's role in interacting with Suppliers to improve our due diligence. The training is currently delivered in live sessions by members of our Legal team. In 2016, most of the sourcing personnel at the supervisory level of the Verizon Group have been given such live training.

7: Further actions and sign-off

Following our review of our actions this financial year to prevent slavery or human trafficking from occurring in our business or supply chains, we intend to take the following further steps to tackle slavery and human trafficking:

- Update our audit protocol with respect to the contract manufacturing activities described above to add greater focus on modern slavery matters.
- Expand our survey program to additional international, high-turnover supply chains.

This statement is made in accordance with section 54(1) of the Modern Slavery Act 2015 and constitutes Verizon UK Limited's slavery and human trafficking statement for the financial year commencing 1 January 2016 and ending 31 December 2016.

Signature:



Clare Aitkenhead

Director

Verizon UK Limited

Date: 31 MARCH 2017