

## Section 172 Statement (2022)

Although the Company no longer meets the relevant qualifying conditions to prepare a section 172 statement, the directors of the Company have decided to prepare this statement for this financial year ending 31 December 2022. This will be kept under review for future financial years.

Verizon's culture, strategies and policies are identified and regularly reviewed at group level by the senior executives of Verizon. Verizon and its group of companies ("**Verizon Group**"), which includes the Company, believe that it must effectively address and balance the interests of all of its stakeholders, including its shareholders, employees, customers, communities, suppliers and others, in order to put itself in the best position to serve its customers, provide critical services to the community and grow profitably over the long term. This belief is reflected in the breadth and aspiration of the Verizon Group's corporate purpose to "create the networks that move the world forward". It is also reflected in the Verizon Group's values underlying all of the Verizon Group's decisions: integrity, respect, performance excellence, accountability and social responsibility.

The directors of the Company recognise that their statutory duties are owed to the Company and believe when taking board decisions during the year ended 31 December 2022 that they have acted in a way that they consider, in good faith, would be most likely to promote the success of the Company, having regard to those matters set out in section 172 of the Companies Act 2006 ("CA 2006"). As a wholly-owned subsidiary, the directors did not consider section 172(1)(f) of the CA 2006 (*regard to the need to act fairly as between members*) to have been relevant to the proper discharge of their duties.

In their capacity as executives of the Verizon Group, the directors receive a broad range of training, pertaining to their functional roles and more broadly to leadership and other personal skills. To better enable the directors to discharge their duties pursuant to the CA 2006, the directors are briefed specifically on their duties as directors of the Company, in particular when reviewing specific transactions that require careful analysis of their duties such as those related to solvency.

### *Regard to the likely consequences of any decision in the long term*

When making decisions, particularly those of a strategic nature, the directors, with the support of the relevant business functions and the wider Verizon Group's policies and strategies in place, have regard to the likely long-term consequences of their

decisions. Meetings of board directors were held on a regular basis to enable the directors to consider a range of topics and receive updates from the business including, but not limited to, financial performance and matters relating to tax, treasury, environment, health and safety and employment.

During the year, the directors both at board meetings and in the course of their day to day management of the Company were supported by a number of corporate functions, including Legal, Accounting, Treasury, Tax, and business functions covering the provision of services to customers, and the procurement of services from vendors.

*Regard to the interests of the Company's employees*

The directors, in conjunction with the wider functions within Verizon, including in particular its HR and Compensation and Benefits teams, recognise the need to engage with employees and have regard to their interests. The Company's statement of employee engagement, as set out in the Directors' Report in the annual report and accounts for the financial year ended 31 December 2022, provides examples as to how the directors engaged with its employees.

Group wide employee benefits, including employee pension schemes, health insurance, income protection insurance and death in service insurance, and other measures such as market rate compensation packages, are in place and the directors believe that these ensure that its employees' interests are well cared for.

*Regard to the need to foster business relationship with suppliers and customers*

The directors have a broad understanding of the multitude of group policies and initiatives in place to support supplier and customer relationships and which they, with the support of the relevant internal functions, have regard to where applicable when taking board decisions. The Company's statement of engagement with customers and suppliers, as set out in the Directors' Report in the annual report and accounts for the financial year ended 31 December 2022, sets out some of the group's policies and initiatives in this respect.

*Regard to the impact of the Company's operations on the community and environment*

Verizon is committed to protecting the environment and to supporting the communities where it operates. The Verizon Group's Global Real Estate, ESG, Corporate Social Responsibility, Sustainability and Sourcing teams, are just some of the experts who can support the directors of the Company when considering the impact of the Company's operations on the community and environment. Citizen

Verizon, a company-wide responsible business plan, serves as a framework for Verizon to leverage its resources, technology, and employees to drive progress in three key areas, Climate Protection, Digital Inclusion, and Human Prosperity. That framework includes for example Verizon Group climate-related goals, a structured employee volunteering program with volunteering champions throughout the business and a UK Verizon Green Team made up of more than 800 UK based employees who work to help reduce Verizon's environmental impact at work, in the home and the community through specific events and education. In 2022, half of all UK employees across the Verizon Group got involved and 6,494 hours were spent volunteering.

In 2022, the Business in the Community (BITC) - the Prince's Responsible Business Network, - a business-led membership organisation dedicated to responsible business within the United Kingdom, completed its review of various Verizon policies and initiatives applicable to the United Kingdom and relating to 'healthy environments' and 'healthy communities' to ensure these align with wider responsible business practices, with a particular focus on community and community impact.

**The Company's statement of employee engagement, as set out in the Directors' Report in the annual report and accounts for the financial year ended 31 December 2022:**

Although the Company does not meet the qualifying condition to prepare an employee engagement statement, the directors of the Company have decided to prepare this statement for this financial year to support the section 172 statement. This will be kept under review for future financial years.

The Verizon Group is committed to creating a workplace which is diverse, inclusive and inspiring. The Group's priorities remain focused on building a culture of engagement which enables employees to thrive and grow in their careers. The directors of the Company are committed to ensuring its employees are engaged and recognise that such engagement is fundamental to how the Company achieves success as a business. It drives Verizon's purpose of creating the networks that move the world forward. Examples of new and existing initiatives which continued to strengthen engagement with the Company's employees during 2022 are set out below.

- The Work Forward program was launched in May 2022 and is intended to transform how, when and where employees work and to provide them with greater flexibility and a better work life balance. The majority of the Company's employees work to a hybrid model and meaningful in-office schedules, serving as a baseline for attending a Verizon location, were agreed with managers in 2021. Since the implementation of the Work Forward program in 2022, employees were asked to follow their individual schedules with the aim to foster employee engagement, collaboration, positive social interactions and increase working efficiency whilst carefully balancing these with the need for flexibility and work life balance. Implementation of the Work Forward schedules for hybrid employees has been flexible with individual employee needs or concerns being reviewed by managers if required. Employee feedback on the Work Forward program is sought both informally and through more formal means such as the 2022 Q4 PULSE survey, described in more detail below, to understand if employees felt Work Forward will ultimately make Verizon a more attractive place to work and how helpful employees found the existing resources. The introduction of a formal schedule is also considered to have fostered greater consistency across all departments when developing working models, where for example working from home may not have previously been an option.
- A Work From Home Self-Assessment Tool which was launched in July 2021 remains in place to enable employees working from home to check their workplace is set up safely. The tool assesses the risks associated with working at home in the following categories: ergonomics, environmental and psychosocial factors, electrical and fire safety, data security, and other general aspects.
- An annual PULSE+ survey was conducted in 2022 seeking feedback on the Verizon Group's culture of engagement and inclusion. In addition, quarterly PULSE surveys were conducted during the year to gauge employees' overall satisfaction and seek feedback on specific topics identified as being priorities of the business. Responses from all surveys were continually reviewed by people leaders across the business and appropriate action plans were identified from the responses received and communicated to employees to drive improvements across the business.
- Two roadshow webinar events were held in 2022 to raise awareness of and promote all of Verizon's Employee Resource Groups, which are employee-led, company-sponsored groups, that fuel Verizon's culture of inclusion and equity to support Verizon's diversity strategy.

- A series of on-site employee-led culture, diversity, and development days were hosted during the year. Days involved guest speakers, culturally relevant food, social media activations, and volunteering activities. Examples of such days included: International Women’s Day, Pride Day, Black History Day, Asian Heritage Day, Citizen Verizon Volunteering Day, and Learning & Development Day.
- Career development programs supporting the Company’s commitment to women’s career growth and the development of future leaders continued for example with Verizon’s Women of the World (WOW) program.
- Employees received regular communications on health and wellbeing resources available to support them, including an Employee Assistance Programme, on demand webinars, guided meditation sessions and a COVID 19 resource site. Office based events were organised to encourage opportunities for connection and in-person collaboration. EMEA Team Talks launched in March 2022. ‘EMEA Team Talks’ is an employee engagement and culture programme offering employees an escape away from the pressures of day-to-day, encouraging employees to ‘take time’ from busy schedules. Monthly webinars were hosted by the Verizon EMEA leadership team, providing an opportunity to hear from inspirational and diverse external speakers with different perspectives to share. Topics included resilience, the science of happiness, authenticity, allyship, overcoming your fears and decision making.
- Employees of the Company were invited to attend all hands meetings held by senior executives and departmental managers. These provided employees with an opportunity to engage with the strategies and initiatives of the business and raise questions. The contribution made by employees to the success of the business was also recognised.

**The Company’s statement of engagement with customers and suppliers, as set out in the Directors’ Report in the annual report and accounts for the financial year ended 31 December 2022:**

Although the Company does not meet the qualifying conditions to prepare a statement of engagement with customers and suppliers, the directors of the Company have decided to prepare this statement for this financial year to support the section 172 statement. This will be kept under review for future financial years.

The directors recognise that it is critical for the ongoing success of the Company to foster strong relationships with its customers, suppliers and wider stakeholders and

to continually engage effectively to better understand stakeholder needs and to adapt accordingly. A framework of Group policies and procedures are in place which strengthen stakeholder relationships.

Group policies and initiatives which continued to strengthen and improve customer relationships in 2022 included:

- implementation of changes by the Global Supply chain to the Enterprise Resource Planning ("ERP") system, which provides End to End systems throughout the supply chain process, including for example changes to trigger automated messages to the export compliance systems for shipments from Great Britain to Northern Ireland to enable the export team to provide the required export documentation for these respective shipments more efficiently and thereby further improving the supply chain process;
- ongoing review by the logistics teams of carriers' performance with the aim being to improve lead times of products shipped to customers' sites. Where considered appropriate, the Global Supply chain has put in place transportation agreements between the Verizon Group and new carriers to try and improve lead times, and performance will continue to be monitored in terms of price, quality of service (including reliability, number of lost packages in transit and compliance) and speed of delivery;
- developments to the existing software platform for supply chain automation solutions to increase visibility of customer shipment status and delivery, with the aim once logistic partners are onboarded, to save time and add clarity to shipments' status and expected delivery, thus further supporting customers in their installation planning;
- continued investment in software solutions and development of new applications, including integrated video technology;
- implementation of customer managed installation which allowed customers to take control of the installation and install the hardware themselves with all the appropriate support and resources needed from the Company, customers can complete installation in their own time at their own convenience. Easy-to-follow installation guides and videos are available to help the customer through the process. This compliments the Company's existing managed installation services;
- a service delivery organisation which helped ensure customer services were delivered in line with customer expectations;
- new sales and existing customer account management which focused on customers' key business imperatives through training initiatives;

- management of the life cycle of customer contracts;
- customer satisfaction surveys conducted by a third party provider which actively sought customer feedback and provided an opportunity to improve customer services resulting from such feedback; and
- ongoing value based education sessions to allow customers to realise greater returns from their investment and activity based learning to allow customers to hone in on a specific task or action.

Group policies and initiatives which continued to strengthen and improve supplier relationships in 2022 included:

- use of a world-class procurement and supply chain collaboration solution streamlining interaction with suppliers through the 1Sourcing (Ariba) Platform;
- the launch of a new internal portal, VZBuy, which serves to connect the dots across the Source to Pay experience for Verizon's internal business partners. The portal is expected to promote self-serve efficiency, speed to market, compliance and customer satisfaction;
- continued commitment to dedicated Supplier Risk Management processes and integration into sourcing tools and processes, to ensure continuity and adherence to all supplier risk processes;
- a supplier code of conduct that contains principles to promote ethical conduct in the workplace, safe working conditions, the protection of sensitive information, the treatment of workers with respect and dignity, and responsible supply chains;
- pre-contract supplier due diligence processes to assess any supplier risks, including as to financial viability and legal compliance around issues such as data privacy and the protection of proprietary information. Supplier information gathering processes for supplier onboarding and due diligence were streamlined in 2022 by front loading information gathering earlier to get information that impacts different SME involvements, and getting rid of duplication in the information gathering forms and processes to speed up the onboarding approval processes and to minimise asking the suppliers for the same information multiple times for different Verizon teams;
- continued commitment to working with a diverse set of suppliers to ensure customers have access to superior service and experience;
- an annual review of Verizon's sourcing policies and business process guidelines ("Policies and Procedures"), which help ensure the fair and consistent treatment of suppliers and outline the requirements that apply internally when Verizon functions procure products and/or services. This

- included for example updates to certain Policies and Procedures with the aim to improve contract execution timelines for certain engagements and updates to RFP guidance and requirements gathering documents to set clear expectations on the RFP and subsequent contract execution processes; and
- providing refresher training to Sourcing on the use and application of the Policies and Procedures to ensure accurate application, including training on the updates to improve contract execution timelines.