

Oath (UK) Limited

Section 172(1) statement

The revised UK Corporate Governance Code ('2018 Code') was published in July 2018 and applies to accounting periods beginning on or after 1 January 2019. The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company. The Board welcomes the direction of the UK Financial Reporting Council (the 'FRC'). This S172 statement, which is reported for the first time, explains how the Directors:

- have engaged with employees, suppliers, customers and others; and
- have had regard to employee interests, the need to foster the company's business relationships with suppliers, customers and other, and the effect of that regards, including on the principal decisions taken by the company during the financial year.

The S172 statement focuses on matters of strategic importance to the Company, and the level of information disclosed is consistent with the size and the complexity of the business.

Verizon's culture, strategies and policies are identified and continually 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 Verizon Group's values underlying all of the Verizon Group's decisions: integrity, respect, performance excellence, accountability and social responsibility.

The Company's principal activities are to: (i) provide marketing, strategic and business support services to Verizon Media EMEA Limited in Ireland, in support of Verizon Media EMEA Limited's advertising business in the UK; (ii) provide research and development services to Oath Inc., and (iii) publish the HuffPost UK site. In addition to these activities, the Company also, along with Verizon Media EMEA Limited and other Verizon Group members, has obligations under customer contracts with two broadband providers for the provision of co-branded mail services in the UK. The nature of the Company's activities are closely aligned with the Verizon Group and the directors of the Company are therefore guided by Verizon Group's culture, policies and strategies. The directors however recognise that their statutory duties are owed to the Company and believe when taking board decisions during the year ended 31 December 2019 that they have acted in a way that they consider, in good faith, would be most likely to promote the success of the Company and having regard to those matters set out in section 172 of the Companies Act 2006 ("CA 2006"). The Company is wholly-owned by Oath Holdings Inc. As the Company has only one shareholder, section 172(1)(f) (regard to the need to act fairly as between members) is not considered to be relevant.

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 in terms of 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

The nature of the Company's activities during the year were such that the Company's business strategies, to achieve the Company's long-term success, were aligned with the broader Verizon Group which has policies in place to guide the directors when considering the likely consequences of their decisions in the long term. The directors received regular updates from the business to enable them to consider a range of topics including, but not limited to, financial performance and matters relating to tax, treasury, environment, health and safety, employment, and Brexit and associated business continuity issues. The directors are supported by a number of corporate functions, including Legal, Accounting, Treasury, Tax, and business functions covering the provision of services to customers and related party 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 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, customer and related party customer relationships. The Company's statement of engagement with customers and suppliers sets out some of the group's policies and initiatives in this respect.

The directors recognise that the interests of suppliers must be appropriately balanced with other key interests. A number of group wide policies demonstrated how the group balanced such interests during the year, including pre-contract supplier due diligence processes to ensure suppliers met certain requirements.

The Company carries out marketing activities in the UK on behalf of Verizon Media EMEA Limited and it is Verizon Media EMEA Limited that ultimately contracts with new advertising customers. Accordingly, the Company does not have contractual relationships with advertising customers in the UK. The Company does however, along with Verizon Media EMEA Limited and other Verizon Group members, have obligations under customer contracts with two broadband providers for the provision of co-branded mail services in the UK, as mentioned above.

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

In 2018, the Company founded the Verizon Media London Green Team, made up of employees of the Company, to find, communicate and implement more sustainable business and personal solutions. The Verizon Media London Green Team focuses on improving the waste management process and the energy efficiency of its offices. The Verizon Media London Green Team also rolled out a bi-weekly newsletter communicating sustainable living tips for the Company's workforce.

The Company continues to partner with Verizon to enhance sustainability reporting and stakeholder engagement on environmental, social and governance issues that align closely with Verizon's core business strategy.

Employee Engagement Statement

The Verizon Group, to which the Company is part, strives to create an environment in which employees love what they do and where they believe they can use their creativity, curiosity and unique talents to make a real difference and the directors recognise that engagement with employees is essential to achieve this environment. Examples of some the Verizon Group wide measures in place to engage with and keep employees informed during the year included:

- The European Works Council which provided a forum in which employee representatives were engaged and consulted;
- All Hands Meetings: 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;
- Departmental Kick Offs were arranged by senior managers to provide granular information about strategies and initiatives of the business and a more informal forum in which to discuss departmental matters;

- PULSE satisfaction surveys were circulated electronically to employees seeking their views on a number of matters. The responses were reviewed by the Verizon Group and any appropriate steps identified, actioned and communicated to employees; and
- The Verizon Group's ethics line enabled employees, at an individual level, to raise specific concerns with key stakeholders. During the year, a new group wide employee Code of Conduct, and associated training, was rolled out to improve dialogue and engagement.

Statement of engagement with customers and suppliers

The directors recognise that it is critical for the ongoing success of the business to foster strong relationships with its suppliers, customers, related party customers and wider stakeholders. Although the Company's business model is such that the Company does not directly contract with new advertising customers, it does have customer contracts, to which Verizon Media EMEA Limited and other Verizon Group members are also a party to, with two broadband providers for the provision of co-branded mail services in the UK. In addition, the Company has service provider agreements in place with Verizon Media EMEA Limited and other Verizon group companies pursuant to which the Company provides marketing, strategic and business support, as well as research and development services. The directors have a broad understanding of the multitude of group policies and initiatives in place to support and strengthen those relationships and examples of some of those measures are set out below:

- a service delivery organisation which helped ensure customer and related party customer services were delivered in line with customer expectations;
- customer and related party customer account management which focused on customers' key business imperatives;
- management of the life cycle of related party customer contracts;
- customer satisfaction surveys actively seeking customer feedback and providing an opportunity to improve customer services resulting from any such feedback;
- online and onsite service demonstrations with customers and related party customers; and
- a supplier code of conduct, containing principles to be implemented by suppliers to promote ethical conduct in the workplace, including anti-bribery and anti-slavery measures, safe working conditions, the protection of sensitive information, the treatment of workers with respect and dignity, and responsible supply chains.

For and on behalf of Oath (UK) Limited



Kristiana Carlet