



LEVEL 3 COMMUNICATIONS UK LIMITED

MODERN SLAVERY STATEMENT

2016

INTRODUCTION

At Level 3 Communications, we are committed to doing the right thing, and doing the right thing is at the very heart of our business operations. Our employees and workers are expected to respect the rights of others, and we seek to work only with suppliers and partners equally committed to doing the right thing and who maintain high ethical standards. We will not tolerate modern slavery, human trafficking or any other abuse of human rights within our business or supply chains.

This statement is published in accordance with the Modern Slavery Act 2015. In it we describe Level 3 and its supply chains, we set out our approach to modern slavery and what we did in 2016 to combat modern slavery and human trafficking within our business and supply chains. We also explain how we plan to build on what we have achieved so far, and how we will strengthen our policies and procedures in the wake of the Modern Slavery Act.

LEVEL 3 AND SUPPLY CHAINS

About Level 3 Communications

We are a global, Fortune 500 state-of-the-art communications group of companies that provides local, national and global communications services to enterprise, government and carrier customers. Across the Level 3 group, we employ over **12,600** people around the world. We are based in the United States, but we serve customers around the world and have a large base in the UK and Europe.

In the UK we employ **1,200** people. We work closely as a group and operate centralised processes and ethical values. With global revenue of approximately **\$8bn**, our comprehensive portfolio of secure, managed solutions includes fibre and infrastructure solutions; IP-based voice and data communications; wide-area Ethernet services; video and content distribution; data centre and cloud-based solutions.

We serve customers in more than **500 markets** in over **60 countries** across a global services platform anchored by owned fibre networks on three continents and connected by extensive undersea facilities. We strive to provide the very best customer experience possible, wherever in the world our customers may be, underpinned by the highest standards of ethical practices.

Level 3 Supply Chains

Our main supply chains comprise suppliers within the telecoms and IT industries who provide us with services and electronic equipment we use in the provision of the services to our customers, but we also buy goods and services for our own business needs, for instance office supplies, IT equipment or people-based security and cleaning services.

We have more than **4,400** direct suppliers, but that is not the whole picture. We buy goods and services from suppliers in all countries in which we provide services, and they have their own suppliers, and thus our supply chains are large with a wide range of suppliers.

Level 3 Policies

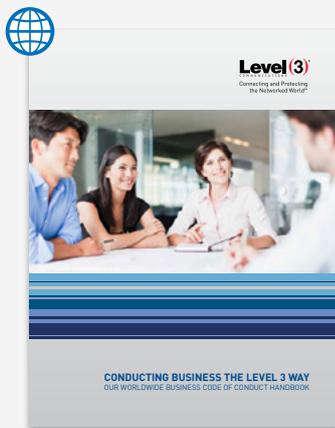
It is important, and critical to our success, for us to operate in an environment that is open and honest, and which maintains trust and integrity with everyone who works with us, including our employees, customers, business partners, investors, and most importantly with each other.

Operating in a highly competitive industry, we have developed a reputation for ethical behavior, corporate responsibility and integrity. We believe that is one main reason that customers choose to do business with us, why investors decide to invest in us and why people come to work at Level 3.

At Level 3, we work only with people who choose to work with us freely, and we respect the rights and freedoms of every individual who works with us. We do not use or accept any forced or bonded labour, or utilise or accept any child labour, or any form of human trafficking.

We seek to pay, and encourage our suppliers to pay, a fair living wage. We do not tolerate any form of discrimination, harassment or bullying or any abuse of human rights and we respect the right to equal opportunity.

Demonstrating our Corporate Values



Our Worldwide Business Code of Conduct Handbook ✨



Our Core Values ✨



Our Corporate Social Responsibility Program ✨

They apply to everyone working at Level 3 and set out how we expect Level 3 people to behave. They also set the standards we expect of our partners and suppliers doing business with Level 3, and we ask that they maintain standards and policies comparable with our own and that comply with all applicable laws.

LEVEL 3 AND MODERN SLAVERY

We are working hard to ensure there is no modern slavery or human trafficking within our business operations or our supply chains and have many safeguards in place.

Level 3 People

Our aim to combat modern slavery begins with our people. We have a team responsible for hiring our workers who ensure proper process is followed. We recruit many of our employees and workers through internal vacancies. For external recruitment, we hire directly where possible through advertising.

Where we must use agencies, we use only reputable agencies that meet our ethical requirements. Once on board our employees participate in a detailed induction program part of which describes Level 3's ethical requirements. Once up and running, employees and workers have access to lots of information, training and opportunities for career development.

We aim to make working at Level 3 the best experience possible, but we also expect our people to comply with our ethical standards and make it clear that anyone who doesn't may face disciplinary action.

Monitoring Compliance and Whistleblowing

We believe it is important for our people to let us know about any violations of our ethical standards. Our Worldwide Business Code of Conduct Handbook requires employees to be vigilant and report any violations.

We provide a whistleblowing facility which is available to all employees and workers and which can be used anonymously. Our people are also encouraged to talk to HR or their managers if they have any concerns. All reported incidents are fully investigated and appropriate action taken where necessary.

Training

All Level 3 people must read and acknowledge our Worldwide Business Code of Conduct and other ethical policies annually. Also annually, our people undertake compulsory interactive training in our ethical business practices, which requires they pass a test to complete the course.

In the wake of the Modern Slavery Act, we have also introduced more specialised training for those involved in purchasing goods and services for Level 3, to raise awareness of the risk of modern slavery and human trafficking and to help them identify any red flags and report them accordingly.

LEVEL 3 AND MODERN SLAVERY

We are working hard to ensure there is no modern slavery or human trafficking within our business operations or our supply chains and have many safeguards in place.

Due Dilligence

Our efforts to prevent modern slavery are also aimed at our supply chains. We ask all of our direct suppliers to implement and maintain ethical standards that equal Level 3's policies and business requirements. We set very clear expectations that our suppliers are **(i) fully compliant with the Modern Slavery Act, (ii) transparent, accountable and auditable, and (iii) free from ethical ambiguities.**

Our due diligence process requires that potential suppliers complete a slavery questionnaire as part of any procurement request. Before onboarding a direct supplier, we carry out an initial risk assessment, which is scored and, if highlighted as a risk, forwarded to Level 3's compliance team to review and confirm whether the supplier can be added to Level 3's supply base, or needs to be rejected because it does not meet Level 3's required standards.

Once on board, we require suppliers enter into contractual commits with us to ensure compliance with the Modern Slavery Act. As a matter of policy, Level 3 deals only with reputable suppliers and will not engage with any business known to have engaged in unethical practices or activities prohibited by the Modern Slavery Act.

Level 3 actively encourages diversity amongst its suppliers <http://www.level3.com/en/suppliers/> 

Teamwork

To strengthen our ethical practices in the wake of the Modern Slavery Act, we have set up a dedicated team of people from various functions across Level 3, to focus specifically on modern slavery.

Procurement heads up the team, supported by other departments who purchase goods and services for Level 3. HR, compliance, legal and internal audit make up the rest and together, the team is responsible for implementing our practices and procedures to combat modern slavery, making recommendations for any enhancements and for reviewing and measuring their success.

Assessment of 2016

We have built upon a strong tradition of ethical practices and policies, and have introduced measures to raise awareness of modern slavery within our organisation, through training and information.

We have implemented a dedicated team to investigate the risks of slavery in our business and supply chains, and we have begun to look at our supply chains to assess the risks of modern slavery.

We have taken the positive step to introduce questionnaires, a modern slavery standard and contractual obligations in respect of our direct suppliers to ensure they are effective and transparent in their own measures to combat modern slavery.

LEVEL 3 AND NEXT STEPS

More to do

We are confident that we have made a good start in our efforts to combat modern slavery, but understand there is more to do. While we believe that the risk of slavery within our own operations is low, and there are many areas within our supply chains that do not present a high risk of modern slavery, we recognise that some services we buy will include areas of risk, such as recruitment services, or cleaning, maintenance, guarding and construction contracts.

Over the coming months, we intend to look further into our business practices and our supply chains so we can assess more fully what we need to do to combat modern slavery and look for any hidden risks. Our next statement will set out the progress we have made.

Level 3 Direct Suppliers

We think the risks of modern slavery at Level 3, if any, will be within our supply chains. To combat any such risks, we plan to undertake a more thorough review of our suppliers based upon the types of goods and services we buy and where we buy them from. We have many suppliers and will need to set priorities. We will look at how best to do this, and will likely look at those suppliers who provide the most valuable goods and services to us in the first instance.

However we conduct our review, we will ensure that all likely areas of risk are assessed and will investigate any areas of risk we identify and the findings of our review will determine what specific steps we must take next in our efforts to combat modern slavery and human trafficking in our supply chains.

Level 3 Indirect Suppliers

We recognise that we must try to have a better understanding of our indirect suppliers. We will work with our direct suppliers to identify our indirect supply chain and look at how we can strengthen our assessment of indirect suppliers, and increase our due diligence processes and risk assessments.

Within Level 3

Within Level 3, we will review our policies and standards and enhance them where necessary to include specific requirements regarding modern slavery. We will continue to require compulsory ethical training and monitor how many people have completed it.

We will look to add a specific modern slavery section to the compulsory ethical training program and will update our training of those directly responsible for buying goods and services for Level 3. We will continue to raise awareness generally within the organisation of the risks of modern slavery and how to identify it and report it.

We hope to enhance our whistleblowing process to allow parties outside of Level 3 to report violations of Level 3's ethical practices. Through our dedicated team, we intend to develop a program to measure the effectiveness of the steps we take to manage the risks associated with modern slavery.



This statement covers the period **1st January 2016 to 31st December 2016** and has been approved by the board of directors of Level 3 Communications UK Limited.



Matt Gutierrez
Regional President, EMEA

May 2017