



2011  
CORPORATE  
RESPONSIBILITY  
SUPPLEMENT

ADDITIONAL CORPORATE  
RESPONSIBILITY PERFORMANCE

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## FROM THE CHAIRMAN

# SHARED SUCCESS: A TRUER CONNECTION BETWEEN BUSINESS AND SOCIAL NEEDS



*“Our capabilities and technology have enormous potential to make the world a better place as we use these tools to find solutions to issues like health care, sustainability, smart grids, and the like. We’re working hard to bring these efforts into the mainstream and leverage what we do best.”*

**Lowell McAdam**  
Chairman and  
Chief Executive Officer  
Verizon Communications

Verizon has always been a company built for the long term. We build networks that provide an infrastructure for economic growth. Our products are the glue for the relationships that make society possible. We invest in the human and intellectual capital that keeps our company strong and competitive, and throughout our long history our employees have contributed to the public good of the communities we serve.

Now a new technological era is creating fresh opportunities for us to deepen the connection between our business interests and those of the society. By reinventing our networks around mobility, broadband and global connectivity, we are expanding the innovative capacity of the economy, making possible entirely new business models and creative solutions for addressing the world’s unmet environmental and social needs. We can now solve problems in ways not possible before, bringing the transformational power of technology and innovation to the most fundamental needs of our customers and communities.

This is, at its heart, a growth strategy — one that opens new markets for Verizon and creates sustainable long-term value for shareowners as well as stakeholders. In 2011, we formalized this strategy for creating business and social value under the mantle of “Shared Success,” a term that derives from the Verizon Credo ([see page 54](#)).

Our Shared Success strategy has three broad goals, articulated below. In 2012, we are focused on deploying energy and health care solutions that generate new revenue for Verizon while increasing energy efficiency and improving health care quality for our customers and communities. We will develop measures to track both the business and social value of our efforts. With respect to business value, we will track market penetration and revenue growth in the energy and health care sectors. For social value, we will develop measures for increased awareness and efficiency for our energy solutions and for increased access, reduced costs and improved care in the health care sector.

Through this broad and deep commitment to Shared Success, we aim to integrate this approach throughout our business, bringing this ethic to bear on all our decisions — from the products we sell to the markets we enter, from the technology we develop to the grants we make in the community — in the belief that creating a healthy, sustainable society is the surest path to creating a healthy, sustainable business.

| SHARED SOLUTIONS  | SHARED SERVICE / PHILANTHROPY  | SHARED SUSTAINABILITY  |
|---|--|--|
| Leverage the transformational power of our networks, technology and people to create long-term business value while addressing critical unmet needs of our communities in smart energy and health care. | Align our philanthropic assets domestically and internationally to deliver shared solutions in education, health care and sustainability to our communities. | Lead our industry by minimizing the environmental impact of our operations and supply chain and by facilitating the transition to a low-carbon, sustainable economy. |

## WHO WE ARE

# ETHICS AND GOVERNANCE

We operate our business with the highest level of integrity and accountability, using the Verizon Credo to provide clear direction for our actions every day.



## Our Conduct

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Given our global reach and extensive supply chain, it is imperative that we conduct business responsibly and ethically, maintaining our reputation for trust and responsibility wherever we operate.

To ensure this behavior, all employees are required to adhere to the **Verizon Code of Conduct**. It provides guidelines on gifts and entertainment, Internet practices, conflicts of interest and confidentiality — with an emphasis on protecting the information that our customers, business partners and fellow employees have entrusted to our care.

The relationship with our suppliers is also based on the highest standards of ethical conduct, and our **Supplier Code of Conduct** outlines Verizon's expectations of its vendors to conduct business with integrity and respect.

We've made the Conflict of Interest Questionnaire (COIQ) administered to our leadership team and our Supply Chain Services organization an annual process, which addresses all identified or potential conflicts.

Our **Human Rights statement** articulates our respect for the broad principles in the UN Universal Declaration of Human Rights, many of which can be applied to how global businesses can build good relationships around the world and work successfully among different customs and cultures. Our commitment to promote human rights values is consistent with our dedication to respect employees, value customers, strengthen communities, protect the environment and engage with stakeholders to make the right decisions for the future of our business.

## Leadership

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Our Shared Success Council provides direction and oversight for corporate responsibility activities across the company. It establishes benchmarks and goals, assigns and enforces accountability and tracks results for corporate responsibility initiatives in six working committees: Accessible Products & Services, Environmental Sustainability, Online Safety, Wireless Safety, Human Rights and Supply Chain.

The council reports directly to Verizon's chairman and chief executive officer and is overseen by the Corporate Governance and Policy Committee of the Verizon Board of Directors. The council is chaired by Kathy Brown, senior vice president in our Public Affairs, Policy & Communications organization, and includes senior leaders from all operating units and several corporate officers.

## Ethics & Compliance

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Verizon provides a robust lineup of resources to help employees raise questions or concerns and get information about ethical matters, policies, procedures and applicable laws.

The resources include:

- The Verizon Ethics and EEO Guideline available 24 hours-a-day at 800-856-1885 (U.S.), (+) 800-0-624-0007 (International) or online at **verizonguideline.com** and the Verizon Wireless Compliance Guideline available 24 hours-a-day at 800-488-7900 or online at **verizonwirelessguideline.com**.
- A Security Control Center operated by Verizon's Security organization which employees can reach 24-hours-a-day (800-997-3287) to report or inquire about issues ranging from international cyber-security and legal compliance.
- A reporting/inquiry channel for accounting matters managed by Verizon's Internal Audit group. (**accountingcomplaints@verizon.com**)
- Environmental and Safety Hotlines for reporting emergencies, arranging for waste disposal or getting on-site help from the company's environmental and safety specialists (Wireline, including international, 800-386-9639 and Wireless, 800-488-7900).

To help employees understand how to safeguard Verizon confidential and sensitive information, management employees are required to complete on-line training covering safeguarding privacy and confidential information.

There is zero tolerance at Verizon for unethical business practices such as bribery. Verizon instructs its employees to avoid even the appearance of improper influence. New anti-corruption compliance training has been implemented to provide guidance and practical examples to help employees understand and comply with various anti-bribery laws, including the UK Bribery Act and the US Foreign Corrupt Practices Act, both of which apply to Verizon employees around the world.

## Engaging Stakeholders

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We maintain an open, continual dialogue with the wide range of people — consumers, seniors, educators, elected officials, law enforcement, minorities, rural constituents, veterans and others — who are important to our business. Their opinions and feedback are essential because they provide a valuable view of ourselves and allow us to make many business decisions “from the outside in.”

Our long-standing Consumer Advisory Board, made up of leading advocates from across the country, meets three times a year and delivers an unfiltered view of business and social issues. Their opinions play an important role in the development and eventual sale of many of our products and services.

We generate multiple discussions through our website and the use of social media. We expanded our participation in social media channels to include Twitter.

As part of our stakeholder outreach, we use our Consumer and Sustainability Roundtables to educate consumers and environmental groups on our strategies and to solicit their recommendations. Both of these forums provide us with invaluable intelligence that not only helps us improve the effectiveness of the solutions we offer our customers, but also the environmental performance of our business.

## Political Contributions and Transparency

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We advocate public policies that benefit our customers and our employees, and will enable us to compete fairly and freely in the marketplace. Political contributions are one way we support the democratic electoral process and participate in the policy dialogue.

Verizon is affected by a wide variety of government policies — from telecommunications regulation to taxation to health care and more — that affect the business climate in which we operate. Our employees have established political action committees (PACs) at the federal level and in 25 states. These PACs allow employees to pool their resources to support candidates for office who generally support the public policies our employees advocate.

All our PAC and corporate political contributions are updated twice a year.

The contribution process is overseen by the Corporate Governance and Policy Committee of our Board of Directors, which receives a comprehensive report and briefing on these activities annually. This transparency about our political spending is in keeping with our commitment to good corporate governance and a further sign of our responsiveness to the interests of our shareowners. Get the Political Contributions Report at [responsibility.verizon.com/political-contributions](https://responsibility.verizon.com/political-contributions).

## WHO WE ARE

# EMPOWERING EMPLOYEES

Our commitment to employees includes instilling a culture that offers challenging work, the opportunity to build a great career, and an environment that respects individuality.



## Career Development

Verizon is committed to building a business as good as our global wireline and wireless networks. We provide employees with the training and development they need to keep pace in an age of rapidly changing technology. Among the best in corporate America, our training programs focus on long-term career development versus short-term roles and responsibilities.

### VZLEARN

Working smarter, providing innovative customer solutions, and driving business imperatives are what Verizon needs to compete in the global marketplace. Verizon invests heavily in our people and our learning management system.

Last year we invested nearly \$300 million in training, offering more than 13,000 course titles in a variety of formats, from collaborative learning in a classroom to self-directed learning online. In total, Verizon employees completed 8.7 million hours of training in 2011 — equivalent to an average of 44 hours per employee. In three years alone, Verizon employees have completed more than 30 million hours of training.

| EMPLOYEE TRAINING                            |      | VERIZON TUITION ASSISTANCE PROGRAMS |              |              |
|--|------|-------------------------------------|--------------|--------------|
| (average annual training hours per employee) |      | Year                                | Participants | Expenditures |
| 2009   | 51.7 | 2009                                | 31,985       | \$107M       |
| 2010   | 47.8 | 2010                                | 31,741       | \$114M       |
| 2011   | 44.1 | 2011                                | 27,232       | \$127M       |

### TUITION ASSISTANCE PROGRAM

Our Tuition Assistance Program helps employees enhance their skills, or develop new ones, by funding studies in their job-related fields. Last year, more than 27,000 employees across the company participated in the program, which provides up to \$8,000 a year.



## Benefits

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Verizon employees receive competitive benefits, along with many programs and initiatives tailored to meet the specific needs of individuals and families, as well as the special needs of those employees who serve in the military.

### COMPENSATION

In our performance-based culture, we provide competitive salaries and wages that are among the best in our industry and the markets we serve. In addition, our annual incentive bonuses are based on individual and company performance. Our savings plan (401k) allows employees to save for their future, and the company offers a generous match — up to 6 percent of an employee's salary — as well as a year-end supplement to the savings plan based on the company's performance.

### HEALTH & WELLNESS

Nearly 800,000 employees, retirees and their dependents received \$3.55 billion in health care benefits in 2011.

Every day, employees are empowered to proactively manage their health and wellness. Fueled by our "Be Well, Work Well" programs, employees receive practical education on the benefits of healthier diets, moving more and no tobacco use. Our "Future Moms Program" provides maternity counseling, health education and benefits management for expectant mothers. In addition, the company offers many preventive and early detection services — including biometrics and mammography screenings — many of which are on-site and free to employees.

To help our employees stay fit, we provide access to 45 on-site Health & Wellness Centers nationwide for \$15 a month. For employees at work sites without a center, we provide discounted memberships at more than 10,000 health clubs across the United States.

### WORK/LIFE BALANCE

We understand that employees have lives outside the company that requires a balance between those demands and their work. That's why we give our employees a choice of flexible work arrangements such as flex-time and telework, as appropriate to the needs of the business.

Sometimes employees face personal challenges with issues related to caring for children or adults, or health and wellness issues that affect their ability to work. Our comprehensive Employee Assistance Program is a valuable resource that can connect employees with professional assistance, spanning child services, elder care services, adoption assistance, in-care social support and many other family services.

For new parents, we provide the "Gradual Return to Work Program," allowing employees returning from childbirth or child-adoption leaves to maintain their benefits coverage while

working a reduced schedule. For employees who choose to adopt, Verizon will reimburse them up to \$10,000 for each adopted child for expenses such as legal fees and travel. Verizon's employee discount program offers employees an opportunity to take advantage of product and service discounts offered by various businesses in the areas of automobiles, electronics, financial services, health/wellness, travel, and other services.

### **SUPPORT FOR VETERANS**

Veterans and active service men and women bring unique skills to their work as Verizon employees, lending their focus, perseverance and leadership to the job of serving our customers. Over the past decade, nearly 1650 employees have been called up to active duty, and Verizon has been there to provide benefits and protect their employment.

To support and retain these valuable employees, Verizon pays the difference between an employee's military pay and their Verizon pay for up to 3 years, with no interruption of health benefits for their dependents. In addition, we offer programs to assist employees with finding work at Verizon locations that are close to a spouse on active duty.

Last year Verizon partnered with 10 other large companies in a program called the "100,000 Jobs Mission," which aims to collectively hire 100,000 military members leaving active duty service and other veterans by the end of 2020. In addition, Verizon is one of 25 large U.S. companies on the Veterans Employment Advisory Council, which drives towards an increase in employment opportunities for military spouses, reservists and disabled veterans. Verizon employs nearly 12,000 veterans and hired 541 veterans in 2011.

Verizon understands that some men and women will leave the military facing difficult challenges ahead. Our attorneys provide pro bono legal assistance to help veterans injured in combat or other hazardous duty receive the benefits they deserve. Through the American Corporate Partners program, a number of our employees serve as mentors to men and women who are leaving military service.

Verizon is the major sponsor of the USO lounges at the Washington, D.C. area and Baltimore airports, where men and women in the military can call anywhere in the world for free. And, through the USO's "United Through Reading" program, troops deployed from Baltimore Washington International Airport can record themselves reading a book and have the DVD sent to their children.

## Diversity

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Our Credo explicitly states that, "We embrace diversity and personal development not only because it's the right thing to do, but also because it's smart business." Having employees with diverse backgrounds and experiences makes us more innovative and helps us meet the needs of our increasingly diverse customers. We measure our progress, and we hold our executives accountable for promoting diversity within their organizations.

We strive to create an inclusive, performance-driven culture in which all of our employees around the world have opportunities to contribute and grow.

Verizon provides equal opportunity to all persons, without regard to race, color, religion, gender, sexual orientation, age, national origin, disability, military status, veteran status, marital status, citizenship status or any other protected category under applicable laws. In all company business, we use facilities, sponsor events or maintain memberships only at those businesses or organizations that do not have exclusionary membership practices.

### **EMPLOYEE RESOURCE GROUPS**

Verizon has 10 employee resource groups representing a broad range of diversity. Each group provides opportunities for professional and personal growth through mentoring, community service, seminars and conferences. The groups include:

- Asian Pacific Employees for Excellence
- Consortium of Information and Telecommunications Executives
- Disabilities Issues Awareness Leaders
- Gay, Lesbian, Bisexual, and Transgender Employees of Verizon and their Allies
- Hispanic Support Organization
- National Jewish Cultural Resource Group
- Native American People of Verizon
- South-Asian Professionals Inspiring Corporate Excellence
- Veterans Advisory Board of Verizon
- Women's Association of Verizon Employees

## Communications

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Our employees know how the company works better than anyone, and we encourage them to speak up and help us improve how we serve customers.

### **EMPLOYEE SURVEYS**

We conduct census employee opinion surveys every two years. In 2010, more than 100,000 employees responded, indicating they viewed the company favorably in areas such as integrity, respect and overall reputation. In addition, our 2010 survey showed that we surpassed industry benchmarks on key culture/values, pay and benefits, corporate citizenship and overall satisfaction. In 2012, we will again survey our nearly 200,000 employees across the globe on engagement, performance and our values and Credo culture.

In addition to our biennial employee survey, we conduct several “Pulse” surveys each year on a number of subjects that are designed to measure the internal health and climate of the organization.

The Performance Agreement Pulse Survey is an integral part of ensuring that all employees understand how their personal efforts impact the business. In 2011, 94 percent of employees responded that they had a performance discussion with their manager and 91 percent indicated that they understood how their performance objectives align with the business imperatives.

Our Green Pulse Survey provided guidance on making sustainability a critical component of our culture. On the statement “Verizon enables employees to be green at work,” favorable responses rose 7 percent year over year (increasing from 61 percent favorable in 2010 to 68 percent favorable in the 2011 Pulse survey).



### IDEAS@WORK

Employees have lots of ideas about how to build a better business. Over the years, many employee ideas have helped the company earn valuable patents — from designing a more efficient shovel to developing innovative technologies that keep us at the forefront of our industry.

Recognizing that employees represent one of our most valuable intellectual assets, we established the “Ideas@Work” tool. It’s a system that’s easy for every employee to use, regardless of their work location, business group or role within the company. It’s an opportunity to tap into the talent and expertise of our people and move the business forward. To date, employees have submitted more than 2,000 ideas — all of which are being examined with an eye on process improvement

### ENGAGING EMPLOYEES

Our Credo and culture allows every employee to express a view or idea to anyone in the company, regardless of position. That openness fosters a constructive dialogue and encourages constructive dissent.

Our senior leaders conduct regular “town hall” meetings and operations reviews in organizations across the company, and Lowell McAdam, our chairman, president and CEO, conducts quarterly webcasts that are broadcast across the company. He shares his thoughts about the company’s performance, recognizes individual and team achievements during the quarter, focuses on our strategic goals and engages employees in lively Q&A sessions.

Our Web-based communication tools provide employees with up-to-date information about the business and our industry. They include:

- VZWeb, our personalized, internal website that’s updated daily with news and information to help employees with their work

- VZTV, our advanced video studio
- MyVZNews, a newsletter delivered via email that covers corporate wide information
- The About You website, which covers workplace and wellness issues
- MyNetWork, a set of employee electronic tools including blogs, wikis and forums, that facilitate internal online discussion and collaboration

## Safety

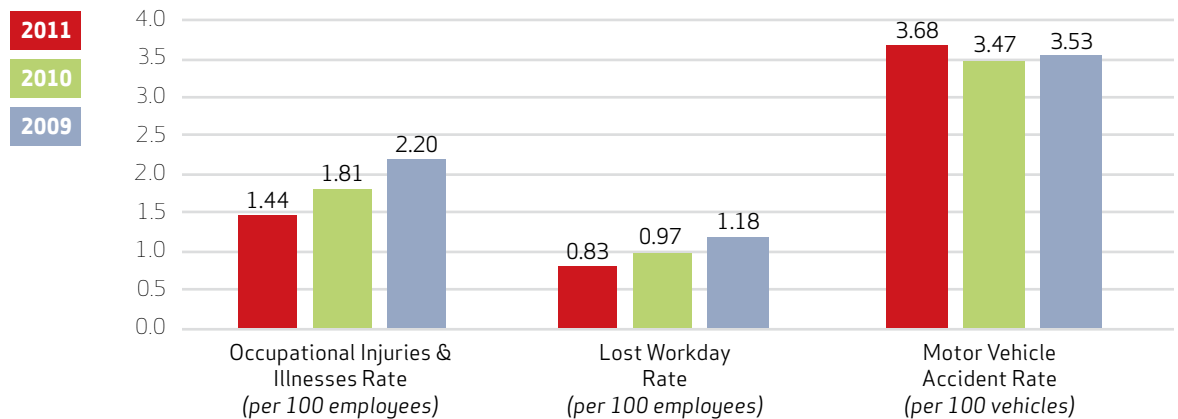
The safety of all employees is paramount and drives how we work every day. Last year we launched Be SAFE, a behavior-based safety initiative that promotes a shared accountability for safety in the workplace, sets high standards for working safely — every day, provides active reinforcing feedback/coaching and corrective intervention when needed.

We conducted extensive internal and external audits across our domestic and international facilities to improve safety in our workplaces and ensure compliance with global and state regulations.

In 2011, Verizon’s Occupational Safety & Health Administration (OSHA) recordable case rates decreased by approximately 20 percent for the second year in a row, and lost work day case rates decreased by approximately 14 percent from the prior year.

Our Occupational Injuries and Illnesses rate (1.44) and Lost Workday Rate (0.83) continue to be significantly below the Bureau of Labor Statistics’ telecommunications industry standards of 2.20 and 1.20, respectively.

### VERIZON INCIDENT RATES



### LABOR RELATIONS

Verizon has a long history of working with the Communications Workers of America (CWA) and the International Brotherhood of Electrical Workers (IBEW) – the two main unions that represent nearly 58,000 employees. These employees are covered by 58 collective bargaining agreements which are usually negotiated over three year cycles. Negotiations over 27 of these contracts in the Northeast and Mid-Atlantic areas have been on-going since June 2011.

Although the subjects being negotiated are significant in terms of scope and cost, the Company is committed to meeting and working through the issues in order to reach agreements that better positions us to compete in the markets we serve.



## Encouraging Engagement in the Community

We encourage sustained community service through matching gifts and employee volunteer grants via the Verizon Foundation — more than \$165 million over the years. More than 45,000 community nonprofits have benefitted from our employees' efforts over the years, for a total of 6.2 million hours of volunteer service since 2000.

- **Volunteer Grants:** Employees who log 50 or more volunteer hours with their favorite nonprofit or school can apply for a \$750 grant for that group.
- **Matching Gifts to Nonprofits:** The Verizon Foundation matches employee donations dollar for dollar, up to \$1,000 per year to qualified nonprofits.
- **Matching Gifts to Colleges and Universities:** The Verizon Foundation also matches employee and retiree donations up to \$5,000 per year to accredited colleges and universities.
- **Team Fundraisers:** Teams of 10 or more employees who collectively raise funds for a qualified nonprofit or public school can apply for a grant that matches their fundraising, up to \$10,000 per event location.
- **Disaster Relief and Recovery Programs:** The Verizon Foundation matches employee donations to qualifying disaster relief organizations during times of natural disaster and other events.
- **Cause Collection Campaigns:** Verizon employees conduct campaigns to collectively contribute time and dollars to causes throughout the year.

## WHO WE ARE COMMUNITY IMPACT

We're using philanthropy to plant the seeds of innovation that will spread the benefits of technology broadly across society.



### Verizon Foundation

The Verizon Foundation mobilizes our philanthropic resources to address the needs of the communities we serve around the world. The focus is on using our technology to solve critical social issues in the areas of education, sustainability and health care. Increasingly, the Foundation serves as a laboratory for social innovation — supporting new approaches to community problems, breaking down barriers of cost and accessibility and helping to bring these solutions to underserved populations.

Over the last 10 years, the Foundation has invested approximately \$650 million in our communities, and our employees have donated more than 6.2 million volunteer hours to improve the communities where we work and live. In 2011, the Foundation awarded \$66 million in grants and employees volunteered more than 670,000 hours.

| VERIZON FOUNDATION 2011 PHILANTHROPIC INVESTMENTS |                |
|---|----------------|
| Grant Areas                                       | \$ in millions |
| Education & Literacy                              | \$26           |
| Volunteerism (Including Matching Gifts)           | \$17           |
| Civic & Community Support                         | \$9            |
| Domestic Violence Prevention                      | \$10           |
| Health Care & Accessibility                       | \$3            |
| Internet Safety                                   | \$1            |
| <b>Total Philanthropic Investment</b>             | <b>\$66M</b>   |

Our signature causes and strategic focus areas for 2012 are:

- Education:** Provide comprehensive support to schools and community organizations by aligning our education philanthropy with core company strengths — network, content, devices — to create digital classrooms with high student achievement in Science, Technology, Engineering, and Mathematics (STEM) subjects.
- Health Care:** Deliver innovative health care solutions through technology-based programs in Mobile Health, Remote Disease Management and Virtual Care, addressing the disparities of access to health care services for communities in-need.

- **Sustainability:** Launch philanthropic initiatives that emphasize smart energy management and increase sustainability awareness and education in communities in need.

## EDUCATION

Technology provides tools to help support new ways to solve social issues. We're using our philanthropy dollars to plant the seeds of innovation and cultivate the creative thinking that will spread the benefits of technology broadly across society. For example, in partnership with some of the world's most reputable cultural and scientific institutions, we developed an educational website, Thinkfinity, to provide interactive learning materials for K–12 teachers and students. Today Thinkfinity is one of the most visited sites of its kind.

In 2011, we had over 31 million visits to **Thinkfinity.org** and its partner sites to access its educational content and by the end of the year, there were over 40,000 members of our Online Educators Community.

Here are a few of our notable accomplishments in education over the past 11 years:

- Developed over 10,000 online resources for teachers and students
- Trained over 120,000 educators on integration of technology and digital content into classroom instruction
- Invested \$277 million in education

Looking ahead, we believe our rapid deployment of 4G LTE mobile networks will be a game changer in education. As entrepreneurs and developers embed 4G LTE connections in a whole new category of mobile devices, the Verizon Foundation is working on a number of projects to adapt these new technologies to the classroom.

To learn more, visit [www.verizonfoundation.org/our-focus](http://www.verizonfoundation.org/our-focus)



## HEALTH CARE

It is our belief that care improves when technology fosters collaboration between patients and health care professionals. Get the right information into the right hands when and where it is needed, and professionals can make informed decisions regarding their patients' care. The Verizon Foundation is investing in ways to help deliver these solutions. Additionally, we are committed to the health of families and communities by preventing domestic violence through promoting respect and equality, and by empowering people to speak out against violence.

During 2011:

- We invested \$3.0 million on mobile and telehealth care initiatives around the country.



- More than 2,500 students participated in our “Training Camps for Life” program. Held in conjunction with the NFL Players Association and A CALL TO MEN, these camps teach teens about respect and domestic violence prevention issues.

To learn more, visit [www.verizonfoundation.org/our-focus](http://www.verizonfoundation.org/our-focus)

### **SUSTAINABILITY**

As we extend the resources of the Verizon Foundation into sustainability, we plan to leverage our expertise in energy management and machine-to-machine technology to foster smart energy practices in communities and universities. We also plan to leverage our operational excellence in sustainability to help build awareness and inspire good environmental citizenship among students and communities. Under the Verizon Environmental Stewardship Program, we will launch a philanthropic initiative that emphasizes smart energy management, and increases sustainability awareness and education in communities in need.

- We have partnered with Cornell University in Ithaca, N.Y. to install a geothermal heat pump for our cell site on the university’s campus. This project will help students get hands-on experience in this important new area of alternative energy, while providing reduced maintenance, better reliability and a possible model for other Verizon cell sites.
- Since 2001, our HopeLine program has collected over 8.9 million mobile phones, keeping the devices out of landfills and turning them into support for victims and survivors of domestic violence.

To learn more, visit [www.verizonfoundation.org/our-focus](http://www.verizonfoundation.org/our-focus)

## Volunteers

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Our employees are at the heart of our community service. In 2011, our employees volunteered over 674,000 hours to more than 7,000 community organizations. Our Volunteer Incentive Program awards employees who volunteer 50 hours a year with a qualifying nonprofit with a \$750 grant for that organization. Over the last 10 years, all of this has resulted in a total of more than 6.2 million hours of hard work and dedication to community service.

In total, over the last 10 years, our employee volunteers, supported by the Foundation, have accomplished much:

- More than 45,000 community non-profits have benefitted from our employees’ efforts.
- We have 108,000 volunteers on the streets in communities.
- The Foundation has given \$165 million to nonprofit groups supported by our employee volunteers.

| EMPLOYEE HOURS VOLUNTEERED PER YEAR |         |
|-------------------------------------|---------|
| 2009                                | 702,618 |
| 2010                                | 733,806 |
| 2011                                | 674,207 |

To learn more, visit [www.verizonfoundation.org/employee-retiree](http://www.verizonfoundation.org/employee-retiree)



**FEATURE STORY** A Pro Bono Program Built to Last

Three years ago, when Verizon’s office of General Counsel set out to build a top-flight legal volunteer program, they built it in a way that’s particularly — Verizon-ish.

We have a large legal group of more than 400 attorneys and 300 staffers dispersed over more than 20 states and several countries around the world. Instead of building a series of small, local programs and going it alone, Verizon’s legal team, did something different.

They built it much like we build our networks.

They picked a great partner — in this case, DLA Piper, a law firm with more than 4,000 lawyers and a lot of pro bono expertise. They deployed cutting-edge technology to spur staff collaboration, such as electronic meeting rooms, online training programs and webinars to

Attorneys don’t often fight to work for free, but that’s exactly what Verizon did in Virginia, where ethics rules prevented in-house counsel such as the members of our legal team from providing pro bono service in the Commonwealth.

At a conference called by the Chief Justice of the Virginia Supreme Court in April 2010 on the state of pro bono service in the Commonwealth, Randy Milch, executive vice president and general counsel for Verizon, urged that Virginia’s ethics rules be changed to allow full participation by in-house counsel, noting that such counsel are “no less talented or committed to meeting the needs of the poor” than other lawyers.

That call for action resulted in a recommendation by the Virginia State Bar and the Virginia Bar Association to lift restrictions on in-house pro bono. The change was approved by the Virginia Supreme Court and became effective on April 15, 2011. Verizon is currently working on this issue in other states.

train volunteers and coordinate case work. They installed case approval and tracking systems and put in place detailed policies and a steering committee to keep the program properly focused and on-track.

This approach — all this ground work and infrastructure building, this thoroughness and dedication to create something of lasting value — sits behind the scenes. But it's necessary to keep the program going for the long haul.

The results have been impressive. In 2011, 328 attorneys and legal staff participated in Verizon's Pro Bono Program — including attorneys in countries around the globe — volunteering thousands of hours.

Here's a sampling of recent achievements:

- A contingent of 50 volunteers has begun working with the National Veterans Legal Services Program, serving veterans with post-traumatic stress disorder by helping them apply for a federal benefits program that aids veterans injured while performing hazardous duty.
- A joint team of attorneys helped immigrant victims of domestic violence apply for special visas that would allow them to remain in the U.S. without having to depend on their partners.
- Verizon and DLA Piper worked to change rules that made it difficult for corporate attorneys to do pro bono work in Virginia. As a result, the restrictions were lifted in April, clearing the path for our lawyers — and any others that follow — to do pro bono work in the Commonwealth.
- Our pro bono program earned the prestigious 2011 Pro Bono Partner Award from the Pro Bono Institute. They also won accolades from the Association of Corporate Counsel (ACC) and the Washington Metropolitan Area Chapter of the ACC. In addition, the program was cited as a factor in being named to the G.I. Jobs Top 100 Military-Friendly Employers List for 2012.

A program like this is a success that is shared among many: our communities get much needed legal services and our attorneys get to work on something they're passionate about.

## Public Service Announcements (PSAs)

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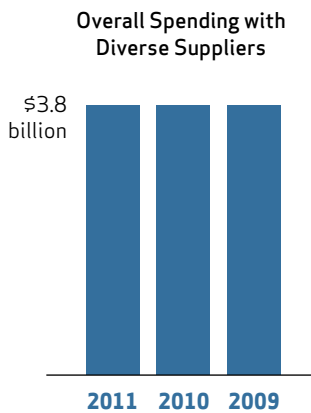
In 2011, Verizon supported ten National Public Service Announcement campaigns by donating the equivalent of more than \$2 million in media time across Verizon FiOS TV, Verizon Wireless Mobile Web and Verizon FiOS Internet.

Verizon partnered with many non-profit organizations, including the Ad Council, Common Sense Media and the Clinton Bush Haiti Fund, to distribute messages on topics including

Hispanic parental engagement, heart health and digital content ratings. Verizon also shared the PSA platform to rally support for disaster relief efforts during the Japan earthquake and the Horn of Africa famine crisis.

In 2011, Verizon also launched a public service announcement section to the News Channel of its Verizon Video service. In 2011, Verizon ran 28 PSAs on the channel, including many from PSA partners such as the Ad Council.

## Supplier Diversity



Verizon is committed to establishing and expanding effective business partnerships with diverse businesses. The inclusion of diverse suppliers in our supply chain is essential to meeting the needs of our growing businesses in wireless, broadband and enterprise communications. Our commitment to diversity starts at the top of our business. To create more opportunities for certified minority, women, disabled, Vietnam-era and service-disabled veteran business enterprises (MWDVBEs), executive compensation is tied to promoting diversity.

Verizon is a charter member of the Billion Dollar Roundtable, a coalition of 18 companies that spend more than \$1 billion each year with diverse suppliers.

In a down economy, we have maintained our spending level with certified MWDVBEs over the past three years. In fact, Verizon Wireless device suppliers more than doubled their spending with diverse suppliers in 2011. In total for 2011, Verizon purchased \$3.8 billion in goods and services with MWDVBEs, bringing our total spending to more than \$17.9 billion in the past five years.

We also support supplier diversity through programs such as:

- **Verizon Premier Supplier Academy.** his program debuted in 2011 and provides best practices for “How to Do Business with Verizon” and 2nd Tier /Sub-contracting opportunities between our Strategic Prime Suppliers and selected competitive MWDVBEs.
- **Procurement & Technology Education Series.** Verizon partners with minority chambers of commerce to train small and minority-owned entrepreneurs on how to use technologies such as e-marketing, e-procurement and customer relations management tools and incorporate them into the daily operations of their businesses to increase operational efficiency. The series also educates entrepreneurs in using smart wireless technologies to run their businesses “on the go.”
- **Buy Those Who Buy Us Fund.** Verizon supports the “Buy Those Who Buy Us” Fund to assist minority-owned businesses with capacity-building funds to be applied to their businesses.

- **Micro-Business Technical Assistance (MTA) Program.** This training program is a partnership with the National Asian American Coalition. The MTA is a 32-hour educational experience directed at micro-business owners to provide fundamental management skills training in specific core competencies needed to manage and operate a successful micro or small business.
- **WeConnect International.** Verizon is a member of WeConnect International, which facilitates sustainable economic growth by increasing opportunities for women-owned businesses to succeed in global value chains.

**See page 46** for data on Verizon's economic impact.



## FOCUS AREAS

The broadband revolution has upended business models across the economy, changing the way buyers connect with sellers, employers relate to workers and entrepreneurs reach new customers. Through our network investments and an ecosystem of innovation, Verizon has helped create this platform for growth and embed digital intelligence throughout the economy.

Now, these transformational models are moving beyond the business market. Widespread access to high-speed networks and cloud servers is stimulating entrepreneurial activity and bringing new network-based, software-driven solutions to such sectors as health care, energy management and education. These new approaches to age-old problems have great potential to change the delivery model for services, empower consumers to improve their quality of life and create more effective and efficient social institutions.

Verizon is focused on bringing new solutions and social innovation to the marketplace, expanding the market for our services and improving the lives of our customers and communities.

## FOCUS AREAS

### ACCESSIBILITY

We embrace a set of Universal Design Principles to make all of our technology accessible to the broadest possible range of users.

The rapid pace of technological innovation has brought services once geared toward people with disabilities into the mainstream. Intelligent, voice-driven device interaction and real-time video chats exploit the power of our technology, lowers barriers to communication, and transforms the way we all interact with devices and with each other. Innovation such as this proves our belief that products accessible to all are simply better products.

As we create opportunities for the community of people with disabilities, we open new markets for Verizon as well. We are guided by our Universal Design Principles. Adopted in 1996, these principles compel us to design and develop services, to the extent readily achievable, to be accessible to a broad range of diverse users.

We also have two national service centers devoted to finding solutions for customers with disabilities. Verizon has made tremendous strides, increasing the number of products tailored for seniors and people with physical challenges.

Among our suite of accessibility features for seniors and people with disabilities are:

- **Voice Commands and Menu readouts** on the majority of our devices,
- **Larger menu fonts and keypads** on select devices,
- **Simple 411 Assistance** for customers who are blind, have low vision, a dexterity disability, or a cognitive disability,
- **Video services** including Videophone, FaceTime for the iPhone 4, iPhone 4S and iPad2, and
- A host of messaging and chat-without-talking applications and services.

And in 2011, we introduced a corporate version of our nationwide “text only” wireless service plan for deaf professionals. We also introduced a new version of the FiOS television Interactive Media Guide that provides larger images, background colors that are easier to read, and an online version that is compatible with screen reader software. And we introduced a big-button remote control for FiOS TV.

Learn more at: [aboutus.verizonwireless.com/accessibility](http://aboutus.verizonwireless.com/accessibility)

## Enhanced Accessibility for FiOS TV

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We are dedicated to enhancing the accessibility of all our products. In 2011, updates to the FiOS TV Interactive Media Guide improved accessibility for the visually impaired.

Among the many feature updates, we added:

- **Support for Descriptive Video Service to help the blind**
- **A new big button remote control**

## Products Tailored to Special Needs

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We offer a host of solutions to make a positive impact on the lives of customers with disabilities, senior citizens, and children.

- **Text-Only Messaging Plans:** These plans are specially designed for those who do not use voice minutes to communicate. Nationwide Messaging plans include unlimited text, picture, video messaging and more.
- **Big-Button Phones for the Visually Impaired:** For customers who need a larger font or large keypad, Verizon Wireless offers the Samsung Haven, which has voice commands and prominent dedicated emergency keys.
- **Video Relay Service via Tablets and Smartphones:** The deaf, hard of hearing or speech disabled can place or receive Video Relay Service (VRS) calls via a special app on PCs as well as Android and Apple tablets and smartphones.

## Reaffirming our Commitment to Accessibility

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Our work to increase the accessibility of our offerings never stops. In 2012, we reaffirm our commitment to provide products and services that are safe, reliable and accessible.

- **More Solutions:** We will ship more devices that feature voice recognition capabilities and launch software such as a screenreader app for Android devices.
- **More Awareness:** We will increase outreach efforts to demonstrate how our technology can be applied to solve problems for the disabled.
- **More Partnerships:** We will seek out opportunities with schools to learn how tablet computers can be used to educate deaf children.



## FOCUS AREAS

### DIGITAL SAFETY

We're putting tools in customers' hands for controlling their digital lives and creating the bond of trust that is critical to the continued expansion of the digital marketplace.



#### Online Safety

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As Verizon's technology becomes increasingly ubiquitous and online interaction becomes enmeshed in daily life, customers have to be confident that their personal information is safe and they can control its use. Through individualized safety tools and parental controls, we're giving customers the tools they need to manage their digital lives. In doing so, we create the bond of trust that is crucial to the continued expansion of the digital marketplace.

Verizon's **Parental Controls Center** provides access to safety experts, usage controls and comprehensive security software so parents can appropriately monitor and safeguard their family's wireless, online and TV use. Our inventory of resources includes:

- **Verizon Wireless Content Filters:** Free tools are available to block access to unwanted content. Mobile Web 2.0, gives parents the opportunity to decide what content is appropriate for their children.
- **Parental control features on FiOS TV:** Free, easy-to-use controls ensure that viewable programming is appropriate for all family members.
- **Verizon Internet Security Suite:** Gain piece of mind by protecting computers, personal information, and children from a wide array of online threats.

We help parents actively manage their family's safety by working continuously to provide education about responsible online behavior, as well as potential security and privacy issues.

Learn more at [parentalcontrolcenter.com](http://parentalcontrolcenter.com).

#### Mobile App Ratings

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Our long-standing support for responsible ratings systems exemplifies our commitment to giving families the best tools to manage content on wireless devices.

- **2007:** Verizon debuts age-based mobile content ratings
- **2010:** VCAST and BREW Apps with age-based ratings
- **2012:** New industry-standard ratings for mobile apps

## Safety Features Second to None

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We offer a host of solutions to help customers manage usage, block unwanted content, and keep families safe.

- **Verizon Internet Security Suite:** Protect computers, personal information, and children — 24/7 — with automated updates that provide protection from the latest dangers.
- **FiOS TV Parental Controls:** Manage what can be watched, control content using TV and MPAA ratings for shows and movies, and control games using ESRB ratings. Block all programming on specific channels individually.
- **Usage Controls and Content Filters:** Set limits on use and filter inappropriate content on mobile devices with controls from Verizon Wireless.

## Policies that Protect

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We listen to our customers' concerns about privacy and safety, and have created — and are constantly updating — policies to keep customers actively engaged and informed.

- **Driving Safety:** Since 2000, Verizon Wireless has led the industry in supporting laws to eliminate driver distractions caused by mobile devices. Learn more at [aboutus.verizonwireless.com/wirelessissues/driving.html](http://aboutus.verizonwireless.com/wirelessissues/driving.html)
- **Privacy Policy:** Our respect for customer privacy, security and choice means that we clearly communicate our privacy policies and offer opt-out options. Learn more at [verizon.com/privacy](http://verizon.com/privacy)
- **Content Policy:** For content on Verizon's networks, our goal is to help you access content you want and avoid content you don't. Learn more at [responsibility.verizon.com/content-policy](http://responsibility.verizon.com/content-policy)

## Privacy

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Privacy is an essential element in the processes we use to create innovative products and services. We recognize that individual customers have different privacy preferences and make different choices about the types of information they are willing to share. We are transparent in describing to our customers how their information will be used and we give customers the opportunity to choose whether certain information uses and sharing is acceptable to them. We understand that consumers will use the full capabilities of our communications networks and the vast opportunities our products and services provide only if they trust that their information will remain private. Protecting the privacy of customer information is part

of each Verizon employee's responsibility, and we have reliable safeguards in place to shield customer information from unauthorized access, use or disclosure.

As Verizon develops new products and services, deploys new technologies and develops new uses of information, we review and update our privacy policy to reflect these changes. In addition, from time to time we make organizational, stylistic and grammatical changes to present our practices in a way that makes our policy easy to read.

In September 2011 we introduced an updated privacy policy that provides notice about new information collection and use practices and explains to customers their choices about these uses. In addition, we changed the structure of the policy to provide greater clarity and ease of navigation and additional choice options. The full policy can be found at **[verizon.com/privacy](http://verizon.com/privacy)**.

## FOCUS AREAS

### EDUCATION

We believe our technology can transform education through a broadband-enabled ecosystem of learning that increases student engagement and expands access to the tools of the digital economy.



#### FEATURE STORY

### Mobile Learning Devices in the Classroom

Every week at certain high schools in Baltimore and Washington, D.C. students are piling eagerly into a school bus — but they're not going home or heading out for a field trip. In fact, they're not even leaving the parking lot.

The bold graphics on the outside of the bus showing enthusiastic students using wireless devices reflect what goes on inside. Students snatch up wireless tablets and go to work with volunteers from local universities to prepare for their SAT exams. Dubbed a Mobile Learning Lab, this high-tech demonstration project is one attempt to transform education through the application of our technology.

As widespread access to high-speed networks stimulates innovation and new cloud-based, software-driven solutions, we asked ourselves how we could apply these increasingly popular technologies to improve education. How can we structure school programs to support 21st century learners? The Mobile Learning Lab is one of a variety of pilot programs Verizon Wireless is conducting to answer these questions at schools in underserved communities from the Baltimore–D.C. metro area to the rural mountains of southern Virginia.

Dr. Barney Wilson, principal of Baltimore's Reginald Lewis High School, said Verizon's Mobile Learning Lab not only delivers technology. "It brings students the feeling that they're really preparing for college, feeling like they're competitive," he said. He hopes for a 200–500 point jump in the school's average SAT score as a result.

In addition to the traveling wireless bus, we're testing new markets by providing students in Baltimore with wireless tablets and high-schoolers in Mecklenburg County, Va., with wireless connections and discounted Netbooks.

The projects are aimed at engaging students by trading chalkboards and paper and placing in their hands the vast resources of the Internet. It appears to be working. As Wilson said, "We're sucking them into learning."

At Reginald Lewis High School, where Verizon partnered with Samsung to provide tablets and software for Spanish classes, students can access Gloria Estefan music videos, Spanish

Putting smart technology solutions in the hands of students, teachers, and parents has tremendous potential to change the educational culture.

soap operas, Spanish coverage of the Super Bowl or World Cup soccer, as well as art and literature to enhance more traditional language exercises.

“They’re excited to get into class every day. They’re motivated and engaged,” said Spanish teacher Kamal Dawson-Quest. Once the class begins, she added, disruptions are few as students focus their energy on various Spanish experiences via wireless.

Longer term trials in rural Virginia’s Mecklenburg County have gone so well that the school district purchased netbooks that connect to our wireless network for every 9th and 10th grade student. High school students — many for the first time — can access the Internet from home using our wireless network. Channeled through the school’s server, learning can continue when the school and library are closed, or simply too distant for some students to reach outside regular hours.

School board member Mary Hicks said the wireless devices enable students to keep pace with their peers in suburban schools by delivering many of the same educational resources. The program has been so successful that it has been expanded to lower grade levels, with smartphones and tablets.

Through the use of a cell tower that extends our network to a remote area, we help open the door to a world of opportunity, and at the same time gain customers. And children who never had ubiquitous Internet service now have it as a routine part of their daily lives.

“This is what can happen when you have public-private cooperation with a great company like Verizon,” Reginald Lewis High School’s Wilson said. “It’s a home run, a grand slam.”



#### FEATURE STORY

## Making Education Accessible to Those Who Need it Most

Treatments for a brain tumor kept Paris Luckowski out of his fourth grade classroom for much of last spring. Yet the Newark, N.J., student was able to keep pace — and even socialize — with his St. Philip’s Academy classmates during school.

His presence in the bustling hallways and in class was possible thanks to a robot equipped with interactive communication powered by Verizon’s 4G LTE wireless network. The four-foot VGo robot’s “face” is a screen through which Luckowski’s classmates and teachers could see him. In turn, Luckowski could see and contribute in class via Webcam video and a microphone. Controlling the robot from home via computer, Luckowski guided his hi-tech stand-in as it scooted around the school on wheels.

The interactive robot is the result of collaboration between Verizon and VGo, a product of a unique Verizon Innovation Center in Waltham, Mass. The center is one of two such Verizon

The Verizon Foundation supports projects that apply technologies such as our 4G LTE network to improve education.

labs where companies can work with our experts to incorporate the transformational power of 4G LTE into new devices and applications .

The Verizon Foundation saw the VGo “telepresence” robots as an opportunity to explore innovative uses of our technology and is providing VGos to 15 institutions nationwide. At St. Philip’s in Newark, NJ, the robot provides a variety of academic benefits: enabling a student from Ghana to be in a classroom sharing her daily life and culture with students; allowing a learning specialist to observe a student remotely without distracting the class; bringing an algebra tutor into the class virtually to teach advanced students while the teacher helps other students one-on-one; and giving distant parents the chance to get a virtual experience of what goes on in the classroom.

Markets for robot technology include, among others, the health care industry, where robots enable doctors and care givers to diagnose and provide other services remotely, and the security field, where the robots can serve as mobile eyes and ears around the clock.

In Luckowski’s case, the Verizon-VGo effort is providing more than a high school education, it’s enabled him to escape his isolated world, interact with his peers and make new friends outside his home.

## FOCUS AREAS

# ENERGY MANAGEMENT

From appliances to cars to powerlines and generators, communications technology is making every part of the energy ecosystem smarter. Verizon is a big part of this solution.

We see a growing market for smart technologies that enable better energy management of homes, cars, office buildings and utility grids. While our work with energy utilities has resulted in cutting-edge machine-to-machine solutions developed in our innovation labs, the real breakthrough of this digitization of the electrical grid is that it uses information to give users unprecedented control over how they consume and manage energy and unites the producers and consumers of energy into a single, dynamic energy ecosystem.



*Envision: Charlotte uses the latest 4G LTE technology in a manner that could have only been imagined a few years ago. The technology offers an effective way to give people the information they need to become responsible stewards of energy use.*

## Envision Charlotte

In Charlotte, N.C., Verizon is working with partners Cisco and Duke Energy on a breakthrough project to dramatically raise energy awareness.

Known as “Envision: Charlotte,” the initiative calls for jumbo video screens in downtown lobbies that display in near-real time the total energy used by buildings in the city’s core. The interactive displays include suggestions that help individuals take steps to cut their own energy consumption. Social media postings are supplementing information on the screen, along with tales of “energy champions” who create new conservation ideas for their firms.

The effort is a first-of-its-kind public-private initiative to address energy efficiency across a downtown area. It’s also a major jump into the commercial energy market for Verizon and the other companies involved. Products in this area have typically been focused on the residential market.

Verizon’s 4G LTE wireless network connects the 70 buildings in uptown Charlotte, collecting energy usage data and streaming the results to the lobby monitors. Duke Energy, the area’s electric power supplier, anticipates actions inspired by the project will produce a 20 percent drop in power use — approximately 220,000 metric tons of greenhouse gases — by 2016. The goal for the project is to make downtown Charlotte the most sustainable urban core in the nation.

Promoting energy reduction in Charlotte is just one benefit of the collaborative effort. Envision: Charlotte organizers hope that new businesses will be attracted to a city with the strategy and technologies in place to significantly reduce energy costs. The U.S. Department of Energy estimates the savings potential from applying cost-effective measures in existing commercial buildings is up to 20 percent.

For Verizon, the program may open similar opportunities in other cities, as they see the advantages yielded by Envision: Charlotte. Organizers of the project describe it as the “Prius Effect,” a model that creates a high regard for going green.

That effect seems to be taking hold: the initiative earned an industry award for Best Energy Efficiency/Demand Response Project for 2012.



We see a growing market for smart technologies that unite the producers and consumers of energy into a single, dynamic energy ecosystem.

## Verizon Wireless Harmonizing with Consert

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Verizon Wireless participated in a pilot program in Texas in 2011 in which electric utility customers allowed the power company to turn up their thermostat in hot weather and to lower it in cold weather. While residents and small businesses didn’t notice much difference, smart energy management means a significant difference when it comes to utility bills and prudent use of energy.

Running the program was Consert, Inc., a company that provides intelligent load management for utilities. Consert turned to Verizon for reliable, real-time wireless communications between the customer’s premises and the electric company.

By partnering on these “smart grid” projects — in which electric utilities have greater control over their networks — we’re helping communities address pressing concerns about energy usage, while positioning ourselves as a key solutions provider in the market.

In Texas, Consert recruited volunteers who allowed the company to install load monitoring and control equipment on heat and air conditioning systems, water heaters, pool pumps and other major energy-consuming devices.

As part of the process, customers allowed the utility to remotely cycle their devices off for brief periods during times of peak demand. Tests run during the extremes of cold and heat in Texas reported no changes in comfort levels for the volunteers.

The speed of Verizon’s 4G LTE network and the service we provide is a competitive advantage for companies like Consert in this growing field.

The CEO of the local utility said the success of the pilot program shows enormous potential for the utility and consumers and could enable to the company to avoid power outages in the future.



## FOCUS AREAS

### HEALTH CARE

Verizon is focused on bringing new solutions and social innovation to health care, expanding the market for our services and improving the lives of customers and consumers.



A groundbreaking demonstration project is using smartphones to improve health care in rural communities.

### Housecalls on Your Smartphone

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Each year more than 200,000 people in the U.S. die of chronic diseases that are both treatable and preventable. Among the causes of these deaths is lack of ready access to medical care, because of such barriers as distance, geography, or simply the availability of doctors and nurses.

Verizon is currently deploying and developing wireless services that will overcome these roadblocks, using our 4G LTE network, smartphones, tablets and advanced video technology to enable virtual visits between patients and health care providers.

In one such venture, Verizon is working with health insurer WellPoint, Inc., to provide face-to-face visits between patients subscribing to WellPoint health plans and their nurse care managers.

Our high-speed, secure video service enables real-time health care guidance and eliminates the time and travel costs for patients in rural areas or businesspeople with a packed schedule. In many cases, patients can consult with a health care professional simply by using the video capabilities of their smartphone.

"You can be in your office, a stationary car or at home, the service is available no matter where you are," said Brett Day, Global Enterprise manager for Verizon Wireless. He added that patients can set up appointments or contact a nurse as needed. "In case there's something going on with their condition, there's the comfort and immediacy of dealing with someone face-to-face."

While remote visits avoid the cost of emergency rooms and urgent care clinics, they still allow patients and nurses to form personal relationships. "Our videoconferencing technology has the look and feel of being face-to-face with someone," Day said. "You feel more connected."

It's hoped that the convenience of the service will drive more active participation by patients in their health care and encourage them to stay on track with their medical programs. The service also enables family and friends to track the condition of loved ones by linking in during consultations.

"You can conference in with care-givers and the patients and hear firsthand about their condition, even if you're in another state," Day said. "I've talked to family members and friends of patients and they say that capability is a huge benefit."



*Dr. Andy Southerland participates in a telemedicine encounter supported by a Verizon Foundation telehealth grant.*

**A telehealth program aims to raise the bar on health care services in rural and remote regions of Virginia.**

#### FEATURE STORY

## Removing Barriers to Rural Health Care

Wise County, in the mountains of Appalachian southwest Virginia, is located far from the state's urban centers. Geographic isolation, coupled with high levels of unemployment and poverty and shortages of health care specialists have resulted in high rates of chronic illness in the region. To help residents of southwest Virginia overcome a host of health care challenges, Verizon has partnered with the University of Virginia Center for Telehealth in Charlottesville to help establish telehealth-supported clinics in the region.

Using high-speed broadband networks, telehealth enables doctors to consult with patients face-to-face via videoconferencing or monitor patient vital signs around the clock from remote locations.

"Telehealth is one tool to raise the bar on health care services that are simply not available in rural and remote regions of our state and our nation," said Dr. Karen Rheuban, Medical Director of the Office of Telemedicine. "It's a tool that improves access, lowers costs through timely intervention and improves quality."

For four years, Verizon has been involved in another cooperative effort with UVA in Wise County, providing our foundation's support for the Remote Area Medical (RAM) Clinic. RAM is an organization that provides programs nationwide in which patients receive medical and dental services, vision and hearing services, free mammograms, colon cancer screenings and educational services. Verizon Foundation funds have been used to support high-speed connectivity at the RAM clinic to provide telemedicine services, patient registration and access to electronic medical records during the clinic.

Rheuban said patients have been delighted with the telemedicine program, noting that the telehealth program not only spares patients "the burden of long-distance travel," but brings an environmental bonus, as well. "We've already saved Virginians over 7 million miles of travel for access to health care," she said.

The Department of Nursing at the University of Virginia's College at Wise used a recent grant from the Verizon Foundation to help establish a telehealth training program. With training in advanced telehealth technology, nursing graduates of UVA-Wise can provide the local contact needed to help bring primary and specialty medical care to medically underserved areas. In addition to improving nursing skills and access within the region, this telenursing curriculum will also serve as a model that can be shared with other nursing programs throughout Virginia and the nation.

In all such telehealth efforts, Rheuban said Verizon "has provided invaluable support" in helping UVA's Telehealth program reach across the state. "Our mission is to provide clinical care, education, research and public service to all residents of the Commonwealth."



*We are funding programs in New York State that provide training and support to help domestic violence survivors start small businesses.*

## Domestic Violence Prevention

Domestic violence affects nearly one in four women, one in seven men and more than three million children. The World Health Organization calls it an important public health problem that requires the involvement of many sectors working together at community, national and international levels. Verizon's goal is to increase awareness of domestic violence and its repercussions, engage men and young people in the issue and lend our resources and technology to help victims and their families. In 2011, the Verizon Foundation contributed \$10 million for domestic violence prevention grants. And in total, Verizon has contributed more than \$39 million in support of domestic violence prevention issues to date.

### EDUCATION, AWARENESS AND PREVENTION

- To engage men and teens in helping end domestic violence, the Verizon Foundation partnered with the NFL Players Association and A Call to Men to provide domestic violence prevention training and information to teenagers in the association's "Training Camp for Life" program. In 2011, more than 2,500 students participated in camps held across the country. A satellite media tour reached nearly 11.2 million viewers.
- This year, the Verizon Foundation has teamed up with sportscaster James Brown to conduct a national campaign promoting respect and equality in an effort to end domestic violence.
- "Telling Amy's Story" is a gripping film about Amy McGee, a young Pennsylvania mother — and Verizon employee — who was killed by her abusive husband. Since 2010, the Verizon-funded documentary has been a catalyst to raise awareness and open discussion. It has aired on 384 local public television stations. Verizon has also held 67 screenings of the documentary attended by 3,073 employees.
- In New York State, Verizon will fund entrepreneurship training programs for survivors of domestic violence. In consultation with the state Office for the Prevention of Domestic Violence, programs in five cities will provide training and support to help survivors start a small business.

## FOCUS AREAS

# SUSTAINABILITY

We're exploring how to use the power of technology innovation to make ourselves a more sustainable company and tackle the challenge of creating a greener society in new, more effective ways.



## Clear Goals, Backed by Solid Metrics

In 2011, we built on our industry-leading sustainability practices by committing to broad energy efficiency and alternative fuel vehicle goals. We also expanded our portfolio of wireless and broadband solutions that help customers reduce their own energy costs and accelerate the transition to a low-carbon, sustainable economy.

As a global company that operates some of the world's most advanced broadband and wireless networks, we have a responsibility to be an effective steward of natural resources and have integrated that commitment into every facet of our business. We have a fleet of 38,000 vehicles, consume 41 million gallons of fuel annually, operate 31,000 facilities, use 10 billion kilowatt hours of electricity annually and employ more than 190,000 people.

We have developed a metric called carbon intensity that measures energy use per terabyte of data flowing through our networks. In this way we can accurately gauge our progress in energy efficiency even as our business grows.

Using this standard, we set a goal of reducing our carbon intensity by 50 percent by 2020, compared to a baseline measured in 2009. We've already cut our carbon intensity by 30 percent, through help from new network equipment, energy-efficient requirements and aggressive energy efficiency initiatives in our buildings.

In our service fleet, our goal is to have 15 percent of our vehicles running on alternative fuel by 2015. We added 667 such vehicles in 2011, bringing us roughly halfway to our goal.

Today, our efforts are having a positive impact on air quality, electricity and water consumption, conservation of trees, reductions of toxins in our landfills and reduced commuter congestion, among other benefits. The following information provides highlights of our 2011 achievements in sustainability and how we're advancing toward our long-term goals through our processes, our products and our people.

| VERIZON'S ENERGY EFFICIENCY RESULTS |          |               |               |               |
|-------------------------------------|----------|---------------|---------------|---------------|
|                                     | % change | 2011          | 2010          | 2009          |
| Terabyte throughput                 | 12.64%   | 88.59 million | 78.65 million | 67.87 million |
| Electricity (kWh)                   | (2.34%)  | 10.00 billion | 10.24 billion | 10.27 billion |
| CO2 (metric tons)                   | (6.93%)  | 5.64 million  | 6.06 million  | 6.20 million  |
| Kilowatt hour / Terabyte*           | (13.38%) | 112.84        | 130.27        | 151.71        |
| CO2 / Terabyte*                     | (17.45%) | 0.06369       | 0.07716       | 0.09158       |

\*monthly average

| VERIZON'S 2011 CO2 EMISSIONS PROFILE |                   |             |
|--------------------------------------|-------------------|-------------|
|                                      | CO2 (metric tons) | % emissions |
| Vehicle fuels                        | 381,413           | 6.76%       |
| Building and other fuels             | 199,859           | 3.54%       |
| Electricity                          | 5,061,414         | 89.79%      |
| <b>Total</b>                         | <b>5,642,686</b>  | <b>100%</b> |

| ALTERNATIVE VEHICLE PROFILE |              |                |              |
|-----------------------------|--------------|----------------|--------------|
| Vehicle Type                | 2010 Active  | 2011 Additions | Total Active |
| Biofuel                     | 370          | 360            | 730          |
| CNG Aerial                  | 10           | 0              | 10           |
| CNG Van                     | 503          | 1              | 504          |
| Electric Sedan              | 0            | 5              | 5            |
| Electric Van                | 0            | 5              | 5            |
| Hybrid Aerial Splicer       | 8            | 0              | 8            |
| Hybrid Pick-Up              | 604          | 278            | 882          |
| Hybrid Van                  | 12           | 1              | 13           |
| Hybrid Aerial               | 6            | 2              | 8            |
| Hybrid Sedan                | 377          | 15             | 392          |
| SmartWay Tractor            | 12           | 0              | 12           |
| <b>Total Green Vehicles</b> | <b>1,902</b> | <b>667</b>     | <b>2,569</b> |

## Processes

- Our Global Network Service Delivery team retired network equipment that was underused or housed in facilities that were closing in Europe and Asia. The effort cut approximately 4 million kilowatt hours of electricity, equivalent to 3.6 million pounds of carbon dioxide emissions.
- We're deploying smart building technology at 83 Verizon locations to better manage energy-hogging heating and air-conditioning systems. The use of intelligent energy

management systems in 32 of our U.S. data centers — where rising temperatures can be disastrous — has allowed us to turn off 40 percent of the computer room air conditioners. The savings comes to 55 million kilowatts annually and 38,000 metric tons of carbon dioxide.

- Our green building program has so far resulted in 100 Verizon Wireless stores earning ENERGY STAR® certification and 60 buildings attaining the LEED (Leadership in Energy and Environmental Design) certification from the U.S. Green Building Council.
- We completed two large solar panel projects in 2011. The first, in Port Washington, New York, is a 25kW roof mounted system comprised of 108 solar panels. The second in Garden City, New York is a 50kW roof mounted system comprised of 221 solar panels.
- We're working with Cornell University in Ithaca, N.Y., to install a geothermal heat pump for our cell site on the university's campus. This project will help students get hands-on experience in this important new area of alternative energy, while providing reduced maintenance, better reliability and a possible model for other Verizon cell sites.
- Verizon added 667 alternative-fuel vehicles to our fleet in 2011, bringing the number of green vehicles to more than 2,500, or almost 7 percent of our fleet. We also cut our gasoline consumption by reducing the equipment carried on 15,000 trucks and vans, decreasing overall vehicle weight and increasing fuel efficiency. In total, Verizon saved more than 6 million gallons of fuel in 2011, a reduction of 13 percent year over year.
- We're saving a forest of 436,000 trees annually with two initiatives to cut pulp from our diet. We're now offering paper-free billing to both wireline and wireless customers, and we've obtained waivers in nine states to cease automatic delivery of residential white page directories. We're also paying attention to seemingly small details that can be significant in Verizon's case. For example, we've switched to business cards made from recycled paper that is 100 percent post-consumer waste and is FSC certified. This move alone will save the equivalent of 2,000 trees.

| RECYCLING METRICS   |        |          |          |
|---|--------|----------|----------|
|   | 2011   | 2010     | 2009     |
| Telecommunications Equipment Recycling (thousands of tons)        | 20.5   | 26.4     | 37.5     |
| Cell Phone Battery and Accessories Recycling & Reclamation (Tons) |        |          |          |
| Total Battery Weight  | 101.40 | 162.2    | 182.3    |
| Accessories   | 929.61 | 1,263.98 | 1,415.82 |
| Paper and Cardboard Recycling (thousands of tons)                 | 35.6   | 25.4     | 22.6     |
| Environmental Notices   | 30     | 42       | 45       |

## Products

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We provide products that encourage, educate and equip customers to be effective stewards of our natural resources.

- In the home, we're providing customers ever-greater control over utility bills through our Home Monitoring and Control System. Launched in 2011, it lets customers control thermostats, lights, appliances, TVs and Web-based video cameras remotely over the Internet.
- Our green options for the home in 2011 include ENERGY STAR®-certified set top boxes for FiOS TV. By year-end, we installed more than 2.2 million of these energy misers, saving the equivalent of 58,000 tons of carbon dioxide.
- We're putting environmentally friendly devices in customers' purses and pockets with the world's first carbon-free smartphone, the Motorola Citrus, and four phones with green features: the Samsung Intensity II and Illusion and the LG Cosmos Touch and Extravert.
- Verizon Wireless gives customers the opportunity to recycle their old wireless devices by donating them to HopeLine, a program that helps women in need of shelter. Since 2008, we have collected more than 4.3 million phones through HopeLine and awarded \$9.5 million in grants to domestic violence prevention organizations.

## People

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We're drawing on the commitment of our employees and working with customers, suppliers and other stakeholders to expand our sustainability efforts.

- Through Verizon's TeleWork Program, employees have avoided 1.2 million commuting miles, saved 59,466 gallons of fuel and 1,300 days of travel time since 2010. Employees are also taking advantage of Verizon's internal Ride Sharing Web site where they can find carpooling opportunities and mass transit options.
- Employees demonstrated that individual recycling efforts can add up to big results, collecting more than 425,000 pounds of recyclable material from our offices, employee homes and community residents in 2011. Through office supply swaps, nearly 600 boxes of no longer used office material went to charities. We conducted a Christmas card recycling campaign at more than 200 company locations. And in a recycling effort that reveals our collective sweet tooth, employees also donated more than 25,000 snack wrappers that will be made into tote bags and lunch bags.
- Through a partnership with Verizon, American Forests planted 5,000 trees to celebrate the 5,000th member of Verizon's Green Team — employee volunteers dedicated to reducing our carbon footprint through conservation and recycling.

In total, employees more than 26,000 hours on volunteer environmental activities in 2011, including education and recycling events in India and 20 Earth Day events across the U.S. About 3 percent of our employees are now members of the Green Team. We plan to expand membership to 10,000 employees in 2012.



FEATURE STORY

## We Pushed for Energy Efficiency and Pulled Our Industry Forward

With a basic change in our purchasing practices, Verizon has lifted the entire telecom industry to a higher level of energy efficiency.

The change began in 2009, when measurements determined that equipment used to power our network accounted for a significant portion of Verizon's energy use. The employees charged with investigating the situation recognized the potential for large savings in both energy and dollars.

At the time, there were no industry benchmarks regarding the energy consumed by network equipment. "There had been some talk in the industry, but nothing was happening on this front," said Todd Talbot, one of two employees charged with exploring the situation. "We decided to make it happen."

Verizon set the bar by requiring suppliers to increase the efficiency of their products by 20 percent. "We were big enough to influence the market. We didn't have to wait for industry consensus," Talbot said.

The result is an example of how a company Verizon's size can be a game-changer when it comes to promoting sustainable practices. With suppliers adapting to our requirements, all telecom companies began using the energy-efficient products. The new network components not only aid the environment, they feature the added attraction of lower network operating costs.

Talbot said some suppliers were hesitant to participate at first, but now that there's industry demand for energy-saving equipment, it's a win-win for network operators and firms that sell components.

Since Verizon established our initial benchmarks with suppliers, we have updated our requirements and extended them to cover additional network equipment. Talbot is now evaluating our wireless network for similar opportunities to work with suppliers to lower energy use in this growing space.



## Verizon HopeLine Continues Setting Records

For the fifth consecutive year, Verizon collected more than 1 million no-longer-used wireless phones through our HopeLine phone recycling and reuse program, keeping the devices out of landfills and turning them into support for domestic violence survivors.

The donations were made at our stores, via the mail using the online postage-paid label and at phone drives held by various groups across the country.

At the end of 2011, 29,020 HopeLine phones were in service nationwide, a 14.3 percent increase over 2010. The phones include 87.1 million free minutes of wireless service. Verizon also gave more than \$4.2 million in cash grants to nearly 450 domestic violence prevention and awareness programs across the country.

| HOPELINE METRICS                 |             |             |             |
|----------------------------------|-------------|-------------|-------------|
|                                  | 2009        | 2010        | 2011        |
| Phones collected                 | 1,100,000   | 1,102,000   | 1,043,000   |
| Phones refurbished               | 927,000     | 955,000     | 930,000     |
| Phones recycled                  | 173,000     | 147,000     | 113,000     |
| Phones donated to shelters       | 23,000      | 25,000      | 29,000      |
| Cash donated from HopeLine funds | \$1,587,000 | \$2,179,000 | \$4,206,000 |

## Conflict Minerals

Mineral resources from the Democratic Republic of the Congo — tin, tantalum and tungsten ores — are key elements of consumer electronics products such as cell phones, personal computers, televisions and MP3 players. In addition, these minerals are also contained in a wide variety of other products ranging from automobiles and aircraft to cans.

We recognize that we have a responsibility to ensure that all of our products are responsibly manufactured by our suppliers. Our **Supplier Code of Conduct** and **Human Rights Statement** outlines our expectations of suppliers to conduct business with integrity and respect.

At this time, most manufacturers cannot provide detailed information as to the ultimate source of the minerals used in manufacturing cell phones, because of the complex and fragmented supply chains involved. Similarly, companies like Verizon, which resell products manufactured by other companies, have very little visibility into the source of the minerals used by the manufacturers. Because of our commitment to provide socially responsible products, we have been deeply involved in efforts to improve the transparency of the minerals supply chain. Efforts are under way in the private sector and among international organizations to provide consumers with better information about the sources of minerals contained in products.

We are working with our suppliers and with organizations such as CTIA, the wireless industry's trade association, to address these issues. Verizon is also 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 the primary conflict mineral used in various electronic equipment, and to support pilot "bag and tag" programs that can add crucial visibility to a mineral's ultimate source.

In November 2011, Verizon and many other companies that use these minerals joined the **Public-Private Alliance for Responsible Minerals Trade (PPA)** ([Click to view related blog post](#)). 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. One of the primary goals of the PPA is to develop pilot programs that result in scalable, self-sustaining systems that enable businesses to source fully-traced and validated minerals from the Democratic Republic of the Congo.

As these new programs 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.

There is much more work to be done, but we at Verizon are committed to taking responsible steps to ensure that products we receive from our suppliers are responsibly sourced and that the minerals trade with the Democratic Republic of the Congo promotes positive economic development for the region.

## PROFILE & PERFORMANCE

### AWARD AND HONORS

#### Corporate Citizenship

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Verizon earned a No. 1 ranking in the telecommunications sector in Fortune magazine's 2012 list of the World's Most Admired Companies.

Verizon was named to CR magazine's 100 Best Corporate Citizens list for 2011. We made the list for the fourth consecutive year.

Verizon has been named to the G.I. Jobs Top 100 Military-Friendly Employers List for 2012, in recognition of the company's military recruiting and hiring practices.

Military Spouse magazine ranked Verizon among the Top 20 military spouse-friendly companies for recruitment, hiring practices, retention policies and programs..

Civilian Jobs News ranked Verizon among the Top 35 Most Valuable Employers for Military.

In 2011, Thinkfinity won EdNET's Best Award in the "Teachers Select" category for being one of the top five most useful free online resources.

#### Diversity | Workplace | Innovation

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Verizon's continued efforts to create a diverse workforce and an inclusive work environment have again earned the company a ranking on the *DiversityInc* 2011 lists of Top 50 Companies for Diversity.

For the 11th consecutive year, Verizon was named to *Working Mother* magazine's list of the 100 Best Companies for Working Mothers.

Verizon is ranked third on *Training Magazine's* 2011 Training Top 125, a list of companies that have the best training and development programs for employees.

For the ninth year in a row, Verizon Wireless has been recognized as one of the top workplaces for information technology professionals. With its highest ranking to date, Verizon Wireless placed fifth on Computerworld's "Best Places to Work in IT" list.

For the third consecutive year, Verizon earned a spot on the National Business Group on Health's 2010 list of Best Employers for Healthy Lifestyles.

Verizon was No. 10 on *Diversity MBA Magazine's* 2011 list of Top 50 Companies for Diverse Managers.

## Environmental | Social | Governance

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For the past three years, Verizon has been included in the Dow Jones Sustainability North American Index, which lists leading companies as measured by governance, social and environmental performance.

Verizon and DLA Piper won the 2011 Pro Bono Partner Award for developing a large, integrated pro-bono program.

Verizon was named to *Newsweek's* North American Green rankings for the third consecutive year, in the top 100 on the magazine's U.S. 500 list.

Verizon is included on the following socially responsible investment lists: FTSE4Good Index, Ethibel EXCELLENCE Investment Register and Calvert Large Cap Value Fund.

Verizon is included on the Maplecroft Climate Innovation Index, a list of 100 top-performing companies in the U.S. selected for their climate-related innovation and carbon-management programs.

The New Jersey Department of Environmental Protection gave Verizon its 2011 Recycling Award for efforts to promote recycling in the company and the community.

Verizon received the Groundbreaker Award at the 2011 Clean Economy Summit for fostering the development and adoption of new technologies and business practices that advance a clean economy.

## PROFILE & PERFORMANCE

### COMPANY PROFILE

| INVESTING IN OUR COMMUNITIES                |                |      |      |
|---|----------------|------|------|
|   | \$ in Billions |      |      |
|   | 2011           | 2010 | 2009 |
| Capital Investment                          | 16.2           | 16.5 | 16.9 |
| Income and Other Taxes Paid, Net of Refunds | 3.9            | 3.7  | 3.6  |
| Salaries & Wages                            | 15.4           | 15.3 | 16.2 |
| Purchase from Diverse suppliers             | 3.8            | 3.8  | 3.8  |
| Dividends to Shareowners                    | 5.6            | 5.4  | 5.3  |
| Pension and Other Retirement Payments       | 4.3            | 3.7  | 4.3  |

## PROFILE & PERFORMANCE

### EMPLOYEE PROFILE

| 2011 EMPLOYEE PROFILE            |                        |       |                        |       |                             |
|----------------------------------|------------------------|-------|------------------------|-------|-----------------------------|
|                                  | Total Workforce (2011) |       | Total Workforce (2010) |       | 2010 Total U.S. Labor Force |
| <b>Ethnic Groups</b>             |                        |       |                        |       |                             |
| American Indian/Alaskan Native   | 947                    | 0.5%  | 1,280                  | 0.7%  | 0.7%                        |
| Asian                            | 9,335                  | 5.2%  | 8,596                  | 4.7%  | 6.6%                        |
| Native Hawaiian/Pacific Islander | 613                    | 0.3%  | 549                    | 0.3%  | 0.2%                        |
| Black/African American           | 35,763                 | 19.8% | 36,032                 | 19.7% | 10.8%                       |
| Hispanic/Latino                  | 18,926                 | 10.5% | 19,388                 | 10.6% | 14.2%                       |
| Two Races or More                | 3,000                  | 1.7%  | 2,743                  | 1.5%  | 1.9%                        |
| White                            | 112,418                | 62.1% | 114,314                | 62.5% | 65.7%                       |
| <b>Total US</b>                  | <b>181,002</b>         |       | <b>182,902</b>         |       | <b>100.0%</b>               |
| International                    | 12,898                 |       | 11,498                 |       |                             |
| <b>Total Worldwide</b>           | <b>193,900</b>         |       | <b>194,400</b>         |       |                             |
| <b>By Gender (U.S.)</b>          |                        |       |                        |       |                             |
| Female                           | 70,862                 | 39.1% | 73,344                 | 40.1% | 47.3%                       |
| Male                             | 110,140                | 60.9% | 109,558                | 59.9% | 52.7%                       |
| <b>Total U.S.</b>                | <b>181,002</b>         |       | <b>182,902</b>         |       |                             |
| <b>By Gender (International)</b> |                        |       |                        |       |                             |
| Female                           | 3,019                  | 23.4% | 2,599                  | 22.6% |                             |
| Male                             | 9,879                  | 76.6% | 8,899                  | 77.4% |                             |
| <b>Total International</b>       | <b>12,898</b>          |       | <b>11,498</b>          |       |                             |
| <b>By Gender (Worldwide)</b>     |                        |       |                        |       |                             |
| Female                           | 73,904                 | 38.1% | 75,943                 | 39.1% |                             |
| Male                             | 119,996                | 61.9% | 118,457                | 60.9% |                             |
| <b>Total Worldwide</b>           | <b>193,900</b>         |       | <b>194,400</b>         |       |                             |

People of color represent 24.9 percent of senior management (vice president and above).  
Women represent 29.1 percent of senior management (vice president and above).

## PROFILE & PERFORMANCE

### INDEPENDENT REVIEW

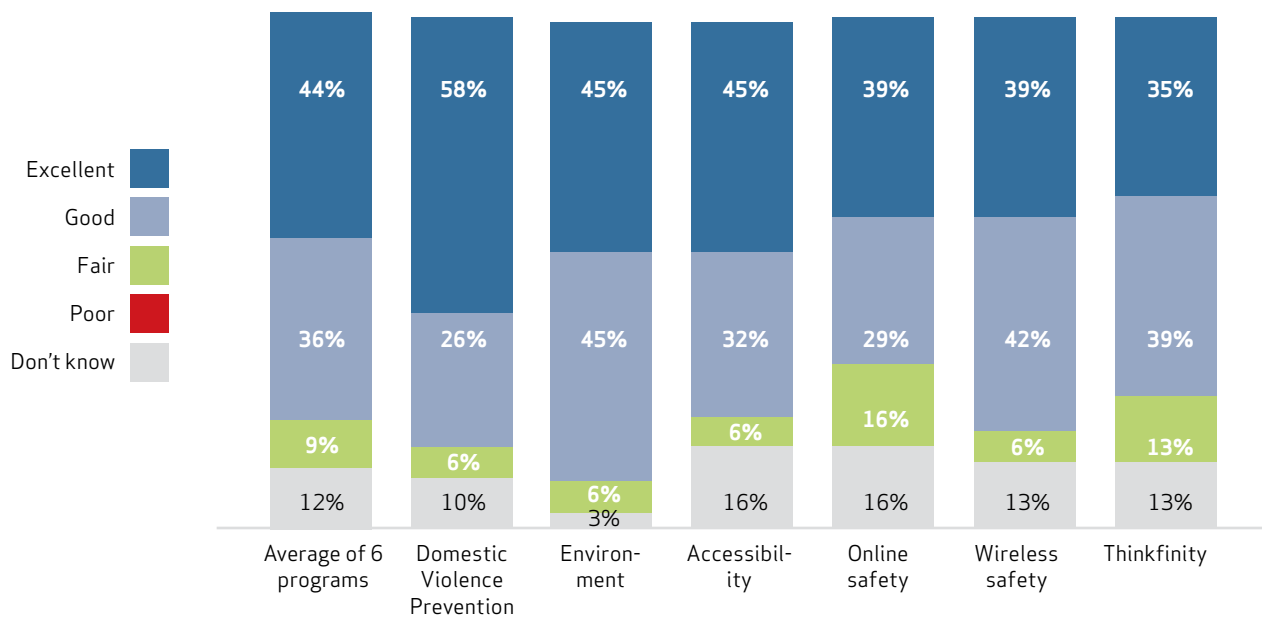
For the fourth consecutive year, we supplemented our day-to-day outreach to our stakeholders by engaging an independent research organization, Penn Schoen & Berland Associates (PSB), to poll people from the NGOs, third-party organizations, and think tanks with which we regularly work.

Our objective is to understand the social and philanthropic issues that are most important to our stakeholders and their organizations.

PSB conducted interviews with 32 people from various organizations between December 16, 2011 and January 31, 2012. Following is their report.

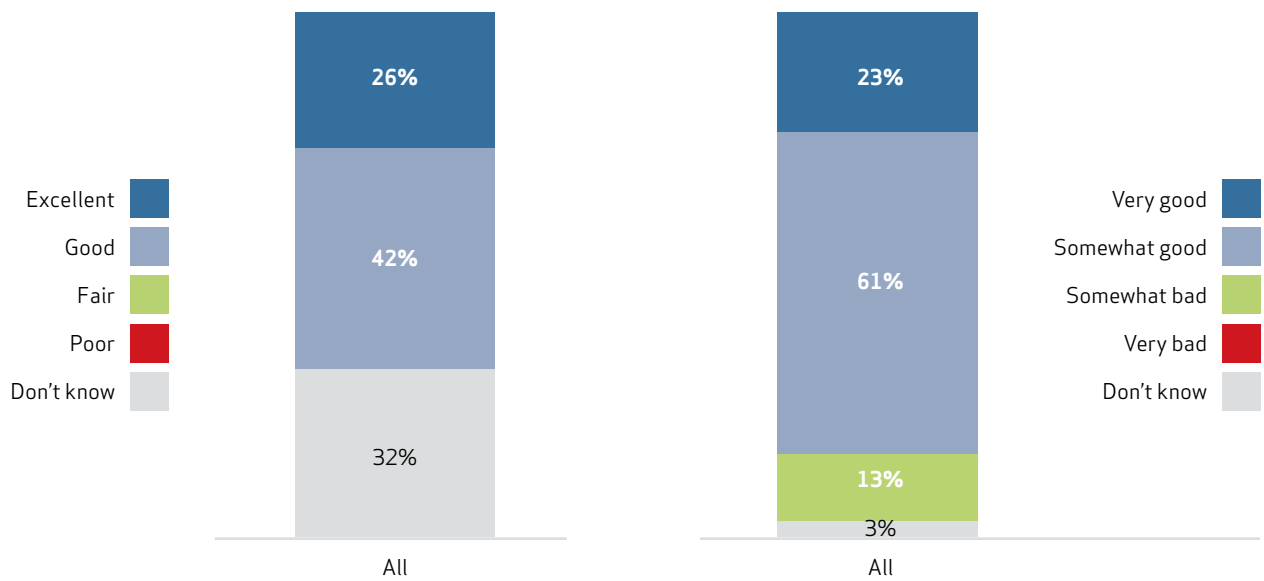
#### PSB RESEARCH FINDINGS

- Stakeholders give Verizon’s corporate responsibility programs very high ratings (see Chart 1).
  - About 4 in 10 consider Verizon’s CR programs to be excellent; 8 in 10 consider them to be excellent or good.



*Chart 1 — “Based on this description and anything else you may already know about this program, would you rate this program as excellent, good, fair or poor?”*

2. But, awareness of Verizon’s CR programs is not as high as it could be (see Chart 2 and 3).
  - Awareness could be higher: 1 in 3 stakeholders say they don’t know how to rate Verizon’s CR programs.
  - Communication Lacking: Only 1 in 4 say Verizon is very good at communicating about its corporate reputation.



*Chart 2 — “Given what you already know about them, how would you rate Verizon’s social, educational and environmental programs?”*

*Chart 3 — “Do you think that Verizon does a very good, somewhat good, somewhat bad or very bad job of communicating their corporate responsibility?”*

3. As a result, Verizon’s CR record does not stand out from competitors (see Chart 4).
  - Verizon’s involvement in communities and overall social responsibility is seen by 48 percent and 61 percent as the same as other companies.
  - Between 13 percent and 52 percent of stakeholders report don’t know how to rate Verizon against competitors; verbatims indicate that they don’t have enough information to do so.



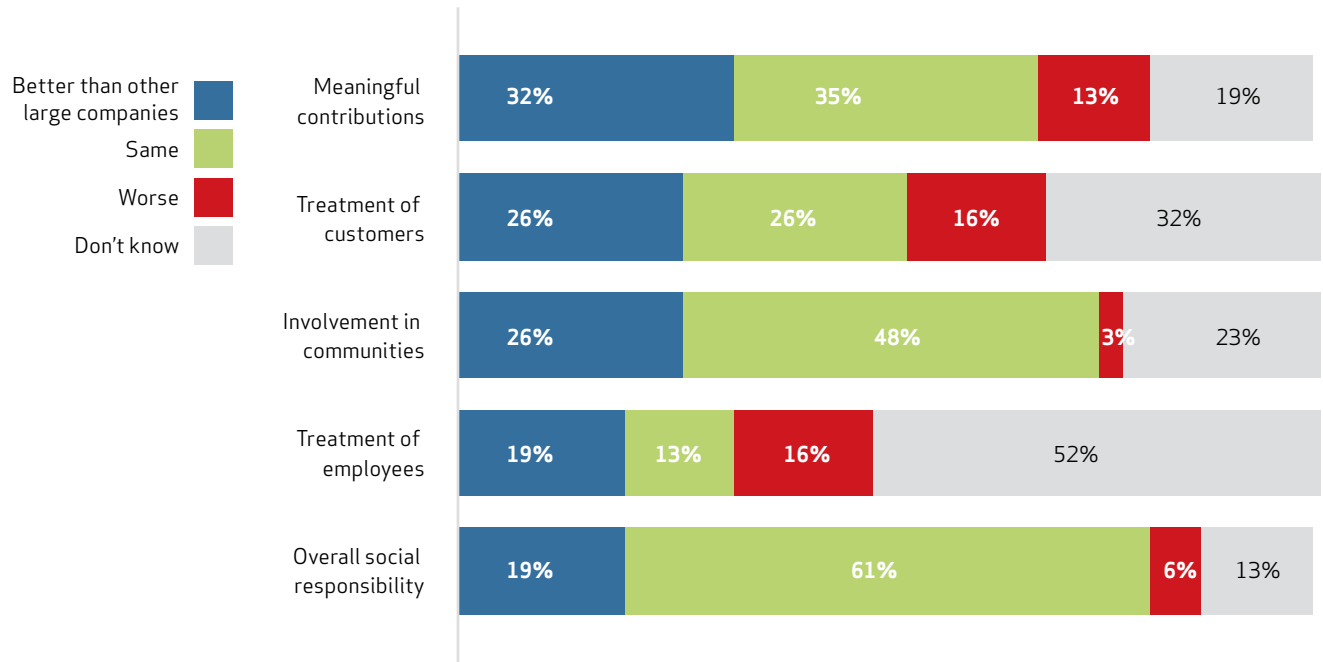


Chart 4 — “How would you rate Verizon’s [ATTRIBUTE] compared to other large companies such as GE, IBM, Wal-Mart, or Johnson & Johnson?”

4. Verizon has an opportunity to get more credit for its CR programs by improving communications.

We have evaluated PSB’s recommendations and are incorporating them into our corporate responsibility communications plans for 2012.

## PROFILE & PERFORMANCE

### KEY PERFORMANCE INDICATORS

| ETHICS & GOVERNANCE  |  |   |
|--|--|---|
| What we said we'd do   | What we did  | What we'll do next  |
| Update the content of our privacy policy, providing additional information to consumers about Verizon's advertising practices. | Updated our privacy policy to reflect new products, services and uses of information and to describe the choices provided to customers. We also reorganized the policy to provide greater clarity and ease of use. | Enhance "Privacy by Design" review processes in the development of new products and services enterprisewide.                            |
| Poll managers in the company to identify any real or potential conflicts of interest.  | Administered our Conflict of Interest Questionnaire to our leadership team and Supply Chain Services organization, and addressed all identified or potential conflicts.  | Administer the Conflict of Interest Questionnaire to our leadership team and Supply Chain Services organization in 2012.                |
| Boost recognition of Verizon's performance as a good corporate citizen among socially responsible investing firms.             | Included on the Dow Jones Sustainability Index for three consecutive years and on the Maplecroft Climate Innovation index, the FTSE4Good index, and the Ethibel EXCELLENCE Investment Register.                    | Continue to work with the socially responsible investment community to understand best practices in corporate responsibility reporting. |
| Conduct follow-up poll to the 2010 reputation study to gauge progress with key stakeholders.                                   | We conducted a follow-up poll and results are available at the <b>Independent Review</b> page.   |   |
|  |  | Conduct Verizon Code of Conduct training to reaffirm our commitment to the highest ethical standards.                                   |

| COMMUNITY IMPACT   |  |   |
|--|--|---|
| What we said we'd do   | What we did  | What we'll do next  |
| Conduct research on effectiveness of technology in higher education.                                       | <p>Northeastern University, on behalf of the Verizon Foundation, surveyed 1,000 teachers nationwide to understand potential differences in technology use among teachers and generate a true estimate of the awareness of Thinkfinity's digital content and partner sites. The research showed that:</p> <ol style="list-style-type: none"> <li>1. Thinkfinity was ranked 8th out of 600 sites named by teachers as a "favorite resource."</li> <li>2. 88% of teachers searched online to find resources to help with lesson planning.</li> <li>3. 86% feel that technology will play a larger role in how they teach.</li> </ol> <p>(Source: Northeastern University Study Results)</p> | <p><b>Education</b></p> <p>Provide comprehensive support to schools and community organizations by aligning our education philanthropy with core company strengths — network, content, devices — to create digital classrooms with high student achievement in science, technology, engineering and math (STEM) subjects.</p> <p><b>Health Care</b></p> <p>Deliver innovative Health Care solutions through technology-based programs in Mobile Health, Remote Disease Management and Virtual Care, addressing the disparities of access to health care services for underserved communities.</p> |
| Promote Thinkfinity as a solution for improving primary and secondary education.                           | <p>Funded technology purchases and provided Thinkfinity training and support in underserved schools that are working to integrate technology into teaching and learning.</p> <p>Expanded and broadened the Thinkfinity Community as "the go-to place" for educators to find expert and peer support on Thinkfinity's digital content and technology integration. At year-end, there were more than 40,000 registered members.</p>  | <p><b>Sustainability</b></p> <p>Launch philanthropic initiatives that emphasize smart energy management and increase sustainability awareness and education for underserved communities.</p>  |
| Create new local employee volunteer councils to spur greater involvement.                                  | Coordinated local employee volunteer teams to collect and distribute donated supplies to non-profit organizations, primarily domestic violence shelters and K-12 schools.  | <p><b>Employee Engagement</b></p> <p>Increase employee involvement in foundation social cause areas through volunteerism programs and events.</p>   |
| Raise awareness of domestic violence issues among men and teens by reaching 500,000 men and 125,000 teens. | Through Training Camps for Life and partnership with NFL Players Association and A Call to Men, hosted a satellite media tour with Coach Sean Payton reaching nearly 11.2 million viewers.   | <p><b>Domestic Violence Prevention</b></p> <p>Address health care issues in domestic violence with the help of enhanced technology.</p>   |
| Expand outreach of Telling Amy's Story documentary on domestic violence awareness.                         | Telling Amy's Story, since its initial launch in May 2010, has aired in 384 local public television stations. In 2011, it aired in 125 local public television stations. We also held 67 employee screenings attended by 3,073 employees.  |   |

| EMPOWERING EMPLOYEES   |  |  |
|--|--|--|
| What we said we'd do   | What we did  | What we'll do next   |
| Target key locations that have a concentration of diverse employees for on-site preventive care and early detection initiatives.   | We expanded our on-site mammography screenings to work locations with a high concentration of women, especially minority women over 40. We have increased participation by 79%.  | Enhance preventive resources to address disparities in diabetes care and help employees better manage this condition.  |
| Advance legislative initiatives that focus on cost containment and accelerated deployment of health information technology, patient safety and evidence-based medical practices. | As the founding member of the Health IT NOW Coalition, we participated in activities highlighting the need for an interoperability electronic health systems. We advocated for federal legislation that would protect consumers and providers for adverse events related to electronic health records. | Enhance preventive resources to address disparities in diabetes care and help employees better manage this condition.  |
|  | Through our membership in the Catalyst for Payment Reform organization, we worked to improve health care quality and reduce costs by identifying and coordinating workable solutions for an affordable health care system in the U.S.  |  |
| Launch a company-wide "Career" website to increase Verizon's reach to emerging college talent.   | Launched <b>VZCareers</b> , a new, customizable <b>job application website</b> that includes real-time notifications for applicants and drill-down career focus areas. The site is available for emerging college talent and all workforce applicants.   | Continue collaboration with Catalyst for Payment Reform members to identify and coordinate workable solutions that help improve health care quality and reduce health care costs in the U.S. |
|  |  | Conduct our biennial "Viewpoints" employee opinion survey.   |

| ACCESSIBILITY  |  |   |
|--|--|---|
| What we said we'd do   | What we did  | What we'll do next  |
| Partner with insurance companies to incorporate responsible cell phone usage while driving in driver training programs.                | Our "Please don't text and drive" campaign materials are online to help educate drivers and insurance companies on the hazards of distracted driving.  |   |
| Introduce a menu of applications for tablets and handsets that enhance accessibility.  | Consumers can now search the Android Marketplace for a list of accessible applications   | Introduce a screen reader application for Android smartphones and tablets.  |
| Launch a voicemail-to-text product and a personal emergency response system.   | Launch of the voicemail-to-text product and the personal emergency response system have been pushed back into 2012.  | Introduce the Mobile Emergency Response Personal System in April 2012.<br>Introduce the voicemail-to-text product later in 2012.                                |
| Work with federal lawmakers and disability advocates to shape implementation rules for new federal accessibility law.                  | Worked with federal lawmakers and advocacy groups to shape the rule making for new federal accessibility law.  | Continue working with federal lawmakers and advocacy groups to shape the rule making for new federal accessibility law.   |
| Release a new version of the FiOS TV Interactive Media Guide that will offer menu customization, easier navigation and audio feedback. | Introduced a new version of the FiOS TV Interactive Media Guide that provides larger images, background colors that are easier to read and an online version that is compatible with screen reader software. | Offer first-run video described movies as part of our growing video-on-demand library<br>Include audio feedback features in the FiOS TV Interactive Media Guide |

| SUSTAINABILITY   |   |   |
|--|---|---|
| What we said we'd do   | What we did   | What we'll do next  |
| Improve carbon-intensity efficiency year-over-year by 15% in 2011.                                   | Improved carbon-intensity efficiency by 17.45% in 2011.   | In 2012, we will reduce our carbon-intensity by an additional 10%. Our long-term goal is to reduce our carbon intensity 50% from our 2009 baseline by 2020. |
| Increase the percentage of alternative-fuel vehicles in the fleet toward our target of 15% by 2015.  | Increased our total alternative-fueled vehicles to 2,569, 6.6% of our total fleet.  | Continue progress toward our 2015 goal of 15% alternative-fueled vehicles.  |
| Expand the Green Supplier survey program to our top 200 vendors.                                     | Received responses survey from 107 suppliers.   | Receive Green Supplier survey responses from 200 suppliers.   |
| Expand the Smart Building technology program to a total of 250 facilities by 2015.                   | Added 67 buildings to our Smart Building technology program, bringing total to 83.  | Continue toward goal of 250 smart buildings by 2015.  |
| Implement our energy efficiency standards programs at 75% of our facilities with 200 or more people. | Combined the energy efficiency standards program with the Smart Building technology program.  |   |
| Expand Verizon Green Team membership to 5,000 employees.   | Exceeded objective with more than 6,000 Green Team members.   | Expand Verizon Green Team membership to 10,000 employees worldwide by the end of 2012.  |
| Develop an Energy Efficiency & Security position statement.  | Developed an energy position statement that incorporates feedback provided by environmental groups in our Sustainability Roundtable. It is under review by senior management. | Publicize our energy position statement.  |
| Test water conservation measures at major facilities in drought-prone regions during 2011- 12.       | Evaluated water consumption at 20 Verizon facilities.   | Formalize water metrics at facilities, identify best practices and implement savings strategies.  |
|  |   | Collect 1 million pounds of e-waste through community and employee recycling rallies by the end of 2012.  |

# WHO WE ARE

## **WE HAVE WORK BECAUSE OUR CUSTOMERS VALUE OUR HIGH-QUALITY COMMUNICATIONS SERVICES.**

We deliver superior customer experiences through our products and our actions. Everything we do we build on a strong network, systems and process foundation. The quality and reliability of the products we deliver are paramount. Customers pay us to provide them with services that they can rely on.

## **WE FOCUS OUTWARD ON THE CUSTOMER, NOT INWARD. WE MAKE IT EASY FOR CUSTOMERS TO DO BUSINESS WITH US, BY LISTENING, ANTICIPATING AND RESPONDING TO THEIR NEEDS.**

We know our products and can explain them to customers. We focus on fundamental execution. We are accountable and we follow through with a sense of urgency. We know that having the highest ethical standards is a competitive advantage.

## **WE KNOW TEAMWORK ENABLES US TO SERVE OUR CUSTOMERS BETTER AND FASTER. WE EMBRACE DIVERSITY AND PERSONAL DEVELOPMENT NOT ONLY BECAUSE IT'S THE RIGHT THING TO DO, BUT ALSO BECAUSE IT'S SMART BUSINESS.**

We are driven not by ego but by accomplishments. We keep our commitments to each other and our customers. Our word is our contract. We respect and trust one another, communicating openly, candidly and directly since any other way is unfair and a waste of time. We voice our opinion and exercise constructive dissent, and then rally around the agreed-upon action with our full support. Any one of us can deliver a view or idea to anyone else, and listen to and value another's view regardless of title or level. Ideas live and die on their merits rather than where they were invented.

## **WE BELIEVE INTEGRITY IS AT THE CORE OF WHO WE ARE. IT ESTABLISHES THE TRUST THAT IS CRITICAL TO THE RELATIONSHIPS WE HAVE.**

We are committed to do the right thing and follow sound business practices in dealing with our customers, suppliers, owners and competitors. Our competitors are not enemies; they are challengers who drive us to improve. We are good corporate citizens and share our success with the community to make the world in which we work better than it was yesterday.

## **WE KNOW THAT BIGNESS IS NOT OUR STRENGTH, BEST IS OUR STRENGTH.**

Bureaucracy is an enemy. We fight every day to stay "small" and keep bureaucracy out. We are more agile than companies a fraction of our size, because we act fast and take risks every day. We see crisis and change as opportunities, not threats. We run to a crisis, not away. Change energizes us. We work hard, take action and take personal accountability for getting things done. Our actions produce measurable results.

## **EVERYTHING WE DO IS BUILT ON THE STRONG FOUNDATION OF OUR CORPORATE VALUES.**

We work 24x7 because our customers depend on us 24x7. We know our best was good for today. Tomorrow we'll do better.

# We Are VERIZON

INTEGRITY • RESPECT • PERFORMANCE EXCELLENCE • ACCOUNTABILITY