



2012  
CORPORATE  
RESPONSIBILITY  
SUPPLEMENT

<b>INTRODUCTION TO SHARED SUCCESS</b>	<b>3</b>
<b>POWERFUL ANSWERS</b>	<b>5</b>
<b>Healthcare</b>	5
mHealth and Secure Identity Systems	5
Tools to Deliver Critical Data at the Point of Care	5
Promoting Healthy Lifestyles Across Generations	6
Leveraging Technology to Improve Healthcare	7
Mobile Medical Care for the Most Vulnerable	8
A Framework to Measure Social Value	9
Measuring the Social Value of Our Philanthropic Work	10
Moving Forward	11
<b>Education</b>	12
Preparing Students for Technology Careers	12
Verizon Innovative Learning Schools	12
Verizon Innovative App Challenge	12
Thinkfinity	13
National Academy Foundation	13
High Marks for the Digital Classroom	14
<b>Energy Management</b>	16
Using Our Networks to Remotely Manage Energy Use	16
<b>Protecting the Environment</b>	17
Clear Goals. Real Metrics. Solid Results.	17
Progress on Carbon Intensity Goals	18
Greening the Verizon Fleet	19
Processes: Reducing Environmental Impact	20
People: Energizing the Community	23
Broadening the Reach of Energy-Saving Technologies	24
<b>WHO WE ARE</b>	<b>25</b>
<b>Community Impact</b>	25
Supporting Verizon's Employee Volunteers	25
Domestic Violence Prevention	25
Verizon's Pro Bono Program	26
Pro Bono Volunteers: "It Sure Felt Like We Were Family"	27
Making Our Technology Accessible to Everyone	28

Tools to Keep Families Safe Online . . . . .	29
Supplier Diversity . . . . .	30
Network Resilience . . . . .	30
<b>Empowering Employees</b> . . . . .	<b>31</b>
Career Development . . . . .	31
Diversity . . . . .	31
Culture and Engagement . . . . .	32
Safety . . . . .	32
<b>PROFILE &amp; PERFORMANCE</b> . . . . .	<b>33</b>
<b>Key Performance Indicators</b> . . . . .	<b>33</b>
<b>Company Profile</b> . . . . .	<b>37</b>
<b>Employee Profile</b> . . . . .	<b>38</b>
<b>Awards and Honors</b> . . . . .	<b>39</b>

## INTRODUCTION

# THE WORLD'S BIGGEST CHALLENGES DESERVE EVEN BIGGER SOLUTIONS

## Verizon's Shared Success Strategy

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We believe there are tremendous opportunities to grow our business by applying our innovative technologies to help solve important social issues. Creating powerful answers to societal challenges in energy management, healthcare and education is what we call “Shared Success” — leveraging the power of our networks, technology and people to create long-term shareowner value by addressing the needs of the customers and communities we serve.

Through our Shared Success strategy, we:

- Identify and accelerate deployment of technology solutions that create the greatest shared value resulting in increased revenue and quantifiable social impact; and
- Use innovative philanthropy to accelerate the deployment of our technology into underserved communities to become an incubator of social change.

## Entering New Markets

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The social challenge — improving energy efficiency, managing chronic disease or improving achievement in STEM (science, technology, engineering and math) — creates the market opportunity. The challenge informs our product-development process and helps us to identify additional market and revenue opportunities.

In 2012, we acted on these challenges by developing new products that apply our unique technology. We acquired Hughes Telematics, a leading provider of remote energy-management solutions in order to provide tools that enable customers to take control of their energy use. We've entered the healthcare market with a product called Verizon Universal Identity. We initiated development of a mobile healthcare (mHealth) platform that will launch in 2013. Combined with our cloud platform, our mHealth solutions will give clinicians and patients a better tool for managing chronic diseases such as congestive heart failure and diabetes.

## An Innovative Approach to Philanthropy

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In parallel, we fundamentally changed our Foundation's philanthropic strategy to align with our business' entry into new energy management, healthcare and education markets. Through a focused model that includes grants and in-kind giving of our technology, as well as partnerships with leading nonprofit organizations, the Verizon Foundation aims to become an incubator for new social solutions to demonstrate the efficacy of our products in real-world settings while accelerating deployment of our technology to underserved communities.

We also began work on developing metrics that measure the financial value and social impact of our new product offerings. Within our business, we started with our mHealth product and developed measures to track its societal impact. When we launch the mHealth product, we will work with our customers to mine and capture data that will enable us to determine ways in which chronic care patients are better able to manage their conditions. The results help inform product development, identify additional market opportunities and calculate societal value.

Similarly, the Foundation has developed a robust set of metrics that measure the ability of our products and services to create shared value for our philanthropic partners in the communities we serve.

## Sustainability

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We have reported on our energy usage and efficiency for more than a decade, and we continue to make progress toward our long-term goal of reducing our carbon intensity by 50 percent over our 2009 baseline. In 2012, we reduced our carbon intensity by an additional 10 percent, bringing the cumulative reduction to more than 37 percent. To put this in context, our energy efficiency measures to date have enabled us to increase the data on our network by 50 percent, while only increasing our electricity usage by 2 percent.

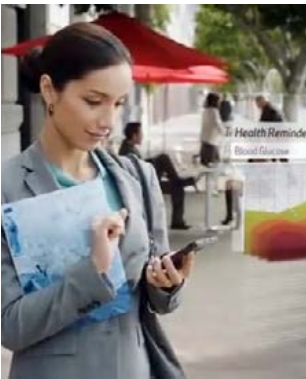
We also created an important new goal that will help us minimize the environmental impact of our supply chain. By 2015, 40 percent of our supplier spending will be with firms that measure and set targets to reduce their carbon emissions.

To help you learn more about our 2012 corporate responsibility performance, the following pages provide more detail about our Shared Success strategy — our products, our philanthropic strategy and our metrics.

## POWERFUL ANSWERS TRANSFORMING HEALTHCARE DELIVERY

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

We see solving healthcare problems as a significant new market opportunity for our business. We are creating a number of new products that we believe will create both shareowner and societal value.



### SOLUTIONS LAUNCHING SOON

#### mHealth and Secure Identity Systems

**mHealth:** In 2013 we plan to launch our mHealth platform, which will give clinicians and patients a better tool for managing chronic diseases such as congestive heart failure and diabetes. Combined with our cloud platform, we will have a secure, private way for doctors to monitor patients between check-ups. This will help keep patients healthier, while reducing medical costs for unexpected trips to the emergency room.

**Verizon Universal Identity:** Healthcare providers must now store, process and share high volumes of digital information — all regulated, private and sensitive. Verizon Universal Identity provides a set of secure identity credentials for healthcare professionals that allow them safe, convenient access to a variety of cloud-based health IT platforms, including electronic medical records, e-prescribing services and health information exchanges.

**Smart Medical Alert Bracelets:** Verizon has redesigned the medical alert bracelet by adding Verizon's 4G LTE connectivity in combination with Near Field Communication technology. A single tap on a medical band can quickly retrieve vital medical information. Wearers can add, update and synch critical medical information right to their HIP (HealthID Profile) and bracelets. In a medical emergency, a wearer's health data can be communicated even if they can't share it.

### SOLUTIONS IN THE PIPELINE

#### Tools to Deliver Critical Data at the Point of Care

Verizon and In Motion Technology are enhancing the communications that takes place between doctors, patients and emergency responders during the "golden hour" — the first 60 minutes after an accident when patient treatment is critical.



*A portable wireless electrocardiogram unit from In Motion Technology could speed care after an accident and improve survival rates.*

Working with In Motion, Verizon is delivering critical data at the point of care — the emergency vehicles. Vehicles equipped with mobile routers can be dispatched with efficiency to accident scenes. The vehicles will also function as mobile hotspots, allowing techs to transmit vital patient data over our 4G LTE network back to the ER doctor at the hospital.

The results: shorter response times, faster patient care and improved outcomes.

#### **HELP DOCTORS STAY ON TOP OF NEW MEDICAL RESEARCH**

Verizon and NantHealth have teamed up to connect oncologists to the latest cancer research, helping them keep up with the staggering amount of medical data surrounding cancer treatments and, ultimately, yielding better options and more hope for cancer patients.

Using eviti — a solution using Verizon’s 4G LTE network and cloud services, and the intelligence of NantHealth — oncologists can learn about the most current cancer regimens and treatments and protocols, offering better options, more hope and potentially better outcomes for patients.

## Promote Healthy Lifestyles Across Generations

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In 2012, Verizon joined the Clinton Foundation, GE and Tenet Healthcare in forming the Clinton Health Matters Initiative (CHMI), a sweeping effort to improve health in the United States.

CHMI will work intensively with communities — beginning in California’s Coachella Valley and the Greater Little Rock area in Arkansas — with an aim to implement a locally developed blueprint for action based on each community’s unique health indicators.

CHMI has created an online platform ([clintonhealthmatters.org](http://clintonhealthmatters.org)) so people can lead local wellness efforts in their communities. These efforts will include free exercise classes or walking groups in high-poverty areas, the extension of farmers’ markets and sponsorship of tobacco cessation programs.

CHMI is inviting corporations and non-governmental organizations (NGOs) to make pledges focused on instituting business practice changes or community investments that will improve the health of their workers and larger community, or to invest in community programs aimed at health and well-being.

#### **MEASURABLE OUTCOMES**

The measurable health outcomes for communities working with CHMI include

- Improvement in key preventable disease measures and health and well-being indicators;
- Reduced healthcare costs associated with preventable disease;

- Reduced health disparities; and
- Increased investments from individuals, corporations and organizations to contribute to the health and well-being of others.

## Leveraging Technology to Improve Healthcare

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In 2012 the Verizon Foundation announced a long-term effort to transform healthcare for the underserved. The aim: fund and equip non-profit healthcare groups with Verizon's health information technology so they can improve care and access for children, women and seniors.

This groundbreaking in-kind effort began last year with an initial commitment to four organizations — the Children's Health Fund, the Society for Women's Health Research, the National Association of Community Health Centers, and the University of California-San Diego.

The Foundation's partnership with the Children's Health Fund (CHF) will equip mobile pediatric medical units in several key cities with the latest in health information technology. The goal: boost access to care for disadvantaged children who are at greater risk for chronic disease and health problems.

- We will integrate our health information technology into the San Francisco, Phoenix, Dallas, Miami, New York and Detroit CHF programs — specifically, mobile pediatric medical units that provide primary care in partnership with a hospital or other medical affiliate.
- These units will be equipped with our Virtual Visit technology, for example, which enables healthcare providers to connect patients to their medical affiliates or to specialty care as the unit visits schools and shelters.

The Verizon Foundation's partnership with the Society for Women's Health Research will focus on deploying a disease-management solution via a mobile device. The solution will be designed for underserved women who face socio-economic barriers in accessing healthcare.

- The health group will be working on this project with the community hospitals associated with the medical facilities at Johns Hopkins University, UCLA, Harvard University and Emory University.

Our partnership with the Robert Wood Johnson University Hospital in New Jersey will train more than 300 medical professionals about domestic violence and how to screen patients for abuse, document information and provide resources and referrals.





*Verizon is working with Dr. Delaney Gracy and the Children's Health Fund to equip mobile medical units with 4G LTE wireless technology to boost access to care for children.*

## HELPING THE UNDERSERVED

### FEATURE STORY

## Mobile Medical Care for the Most Vulnerable

The technology that most of us are using to text, tweet and download is having an enormously positive effect in healthcare — particularly for the most vulnerable in our society, disadvantaged kids.

Caring for children who have the hardest time accessing quality healthcare has been the long-time mission of the Children's Health Fund (CHF). The New York City-based organization has been delivering comprehensive medical services to these children for more than 25 years, operating primary care programs around the country and becoming a fixture in the urban and rural landscape with its now legendary "big blue vans" — i.e., mobile pediatric medical units.

The "mobility" of these high-tech vehicles, however, has taken on new meaning.

Verizon is equipping many of the CHF vehicles with 4G LTE wireless technology. The effort is designed to boost access to care for children who are at greater risk for chronic disease and health problems.

Although it was launched in 2012, the Verizon-CHF partnership has already "changed life dramatically," according to CHF Medical Director Delaney Gracy.

"We're often asked to help with vaccine records for kids," said Gracy, who cared for children in homeless and domestic violence shelters from 2005 to 2010 as a CHF pediatrician. "Schools here won't enroll children without immunization records. So there were a lot of parents coming into the shelters saying, 'my child has been out of school for two weeks because no one has records of his vaccines.'

"Our staff would get on the phone to the city's vaccine registry. Invariably, it would take 15 to 30 minutes to find the right person. Or sometimes we'd have to call back in a few hours. Once the right record was found, it was a fax-only system. And getting the fax to a mobile unit or a shelter and then to the parent presented its own problems."

"The process was hard, and it added to the stress of the kids who just wanted to get back to school and their friends and not fall behind or feel like they were being left out."

Verizon's wireless technology has helped rewrite this story.

"Once we got 4G wireless and the ability to connect to a city-wide immunization roster, we were able to help these kids in real-time," said Gracy. "I can do it myself sitting in the van. And since we have access to electronic health records, I can also check the kid's lead levels while I'm at it and see if we need to do any additional lab work."

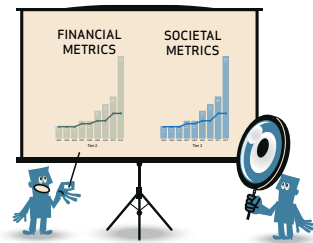
“Having this kind of connectivity means the kid can get back to school where he belongs and the parent feels good about taking care of their child. And as a physician, it means I’m able to examine three or four other kids that I wouldn’t have seen otherwise,” she said.

Wireless connectivity and access to electronic health records are just the start of the Verizon-CHF partnership. A pilot program is underway in South Florida to add Virtual Visit technology, which will enable CHF providers to connect patients visiting the mobile units with specialists at a medical facility via video links. The partnership is also exploring how low-cost wireless technology like texting can be used to improved communication between patients and physicians.

Gracy foresees the day when mobile technologies can be used to help overcome social and cultural barriers, finding applications that not only will boost participation but also improve how well patients adhere to care regimens.

“Most people have a phone. It’s a lifeline that we believe will help us find appropriate, safe and respectful pathways to care,” said Gracy.

## A Framework to Measure Social Value



As outlined in Verizon’s 2011 Annual Report, we initially focused on creating a framework for tracking both the business and social value of our efforts in the healthcare sector with our mHealth products.

Our challenge is to develop accurate measures of what constitutes value to the community as well as value to our business. To be meaningful, all measures must be solid, quantitative and integrated into traditional measures of market success.

Developing such a framework involved three steps:

- Working with our stakeholders to identify pressing social challenges, their scope and relevance;
- Investing appropriate resources in developing products/services, understanding and addressing any policy issues; and
- Formulating the metrics to gauge both the business and social value of our various endeavors.

Our healthcare products will be the first out of the gate, so we developed this initial framework.

SHARED SUCCESS METRICS FRAMEWORK FOR HEALTHCARE		
Desired Impact	Lower costs, improved clinical outcomes for chronically ill patients	
Social Objectives	Lower costs, quality care for the underserved, improved access to physicians	
Solutions/ Programs	<b>mHealth Products</b>	<b>Verizon Foundation Healthcare</b>
Metrics: Business Value	<ul style="list-style-type: none"> <li>- Revenue growth</li> <li>- Market penetration</li> </ul>	
Metrics: Social Value	<ul style="list-style-type: none"> <li>- % reduction of in-patient admissions</li> <li>- % reduction in avoidable ER visits</li> <li>- % reduction in duration of hospital stays</li> <li>- Savings</li> </ul>	<ul style="list-style-type: none"> <li>- Increased access to providers</li> <li>- Increased technology proficiency</li> <li>- Improvements in chronic disease management success</li> </ul>

We will continue to refine our strategy and our metrics, and extend our social value measurement frameworks to other products as they approach deployment.

## Measuring the Social Value of Our Philanthropic Work

In our Shared Success strategy, we have refocused the Verizon Foundation to become a channel for innovation and social change. Just as Verizon’s Innovation Centers have become an incubator for new business solutions in the marketplace, the Verizon Foundation aims to become an incubator for new social solutions and best practices in applying our technology to underserved communities.

The Verizon Foundation has identified metrics to gauge the impact its healthcare, education and energy-management programs are having in the community.

MEASURING SOCIAL VALUE IN PHILANTHROPY			
	Healthcare	Education	Energy Management
<b>Short-term</b> (3-6 months)	Number of providers in program	Number of students in program	Number of sites in program
	Number of patients in program	Number of educators in program	Number of participants in program
<b>Medium-term</b> (6-9 months)	Increased access to providers	Increased STEM* engagement	Increased energy conservation awareness
	Improved technology proficiency	Increased technology proficiency	Increased technology proficiency
	Improved disease mgmt. adherence	Increased STEM achievement	Improved energy behaviors

Long-term (12+ months)	Improved health outcomes	More STEM careers	Reduced energy/fuel consumption
			Lower energy costs
	Reduced healthcare costs	Greater earnings potential	Decreased carbon emissions

\* Science, technology, engineering, math

## Moving Forward

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Our measurement strategy is still in its initial phase. Our Universal Identity Service was launched in September 2012. Our mHealth product is currently undergoing regulatory review and we expect to launch it later this year. During 2013, we will gather relevant data on the performance of our healthcare products and use the data to assess the social value of our efforts. We will apply what we learn to improve our products, define new market opportunities and, ultimately, provide greater value for both our business and our communities.

In 2013, we will refine our Shared Value metrics framework with the help of academic forums such as Michael Porter's Shared Value Initiative and other academic institutions focused on social entrepreneurship. For example, a team of Babson College graduate students will collaborate with Verizon product managers to help develop metrics for healthcare products. The team will also help identify strategies for capturing data that enable us to apply the metrics. In addition, the Verizon Foundation will be using these metrics to measure the impact of its work with its partners in the healthcare area.

As we identify and develop energy and education products, we will develop corresponding metrics that assist us in determining our ability to deliver business and social value.

Moving forward, we will report on the shared value that our business is creating through its products and that the Foundation is delivering through its partnerships. Creating a healthy, sustainable society is the surest path to creating a healthy, sustainable business.

## POWERFUL ANSWERS 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



*Teachers at Charles Carroll Middle School in Prince George's County, Md. are part of a year-long training program that prepares them to effectively use mobile technology and digital content.*

### Preparing Students for Technology Careers

The Verizon Foundation is using our digital know-how to boost students' interest and achievement in science, technology, engineering and math. The tools: mobile technology, free interactive digital content and teacher training.

**The Verizon Innovative Learning Schools (VILS)** Program helps teachers take our mobile technology into the classroom.

- We are training teachers to integrate mobile devices into classroom instruction on science, technology, engineering and math (STEM) subjects. This year, more than 100 math and science teachers in 12 schools across the country are participating.
- The training — provided by the International Society for Technology Education via a grant from the Verizon Foundation — consists of a year-long curriculum with onsite and online instruction. The focus: effective, innovative use of mobile technologies in the classroom.
- Each school receives a grant to participate in the training, to prepare a Technology Coach and to purchase tools — such as digital textbooks and microscope — that extend the use of their mobile devices.

**The Verizon Innovative App Challenge** is a national contest for middle- and high school students created by the Verizon Foundation to further encourage students' interests in STEM subjects.

- 471 teams of students took up the challenge, which involved developing original concepts for a mobile app that incorporates STEM knowledge and addresses a need or problem in their school or community.
- Five middle school and five high school teams will be chosen as winners by a panel of judges from business, industry and academia.

- Each winning school will receive a \$10,000 grant to further STEM education. Students on the winning teams will receive a tablet computer, provided by Samsung, and training by the MIT Media Lab to develop their concept into an app.

**Thinkfinity** ([www.thinkfinity.org](http://www.thinkfinity.org)) is an award-winning, online educational platform with tens of thousands of free materials designed to help teachers use technology to increase student engagement and boost achievement.

- The site offers rich, interactive content — including K-12 lesson plans, in-class activities, webinars, games and videos — developed in partnership with the country's leading educational organizations.
- In 2012, we had more than 35 million visitors to Thinkfinity and its partner sites.
- Thinkfinity also has a robust online professional learning community of more than 64,000 educators who collaborate and share best practices.

**The National Academy Foundation** (NAF) is a long-standing partner in boosting achievement in STEM. NAF is an acclaimed network of career-themed academies that open doors for underserved high schools students to academic success and viable careers. NAF academies integrate traditional high school studies with a focus on one of five career themes — finance, health sciences, hospitality and tourism, information technology and engineering. NAF's primary objective is to ensure high school students are both college and career ready.

- The Verizon Foundation is a premier partner of NAF. Our support includes employee volunteerism, mentoring, and representation on NAF's Advisory Boards. Verizon Chairman and CEO Lowell McAdam is on the NAF Board of Directors.
- Verizon's partnership with NAF has resulted in many benefits. Verizon engineers and technologists have mentored students with an emphasis on pairing female and minority students with Verizon role models; and Verizon has hosted a number of on-site career days.

## VERIZON INNOVATIVE LEARNING SCHOOLS

### FEATURE STORY

## High Marks for the Digital Classroom



*Instructors Marybeth Coen and Natalie Spangler of Lewisville High School in Texas are seeing remarkable results from students using mobile technology in their studies.*

After using mobile technology in her 9th grade biology lessons for the first half of the school year, Marybeth Coen is convinced. Integrating technology in the classroom is having an enormous impact on students' learning and on her skills as an instructor. And she has proof.

At Coen's school — the Killough Campus of Lewisville High School in Lewisville, Texas — students who don't complete homework or are otherwise behind in their classroom assignments receive after-school instruction. "At Killough, we call this Wednesday Night School," said Coen.

"Last year, I was sending eight to 10 kids to Wednesday Night School every week just for biology. This year, I've sent two kids there the entire year."

The data isn't scientific, but the remarkable turnaround speaks volumes to Coen and her colleagues. Simply put, their students have bought-in to using mobile technology in class and it has sparked their motivation. As a result, they are learning more and doing better.

The infusion of technology at the Lewisville school is the result of a pioneering endeavor by the Verizon Foundation. The Killough Campus is one of 12 schools across the country participating in the Verizon Innovative Learning Schools (VILS) Program. A VILS grant funds teacher training on using mobile technologies in the classroom for science and math subjects and the dedicated support of a "technology coach."

The "technology coach" at Killough is Natalie Spangler. As she explains, when students are using mobile devices as part of their instruction they take on an active versus passive role.

"Instead of receiving information from a teacher or textbook, they are shifted into thinking about information, making choices about which app to use for generating or displaying information, looking to the teacher to facilitate as well as lead," Spangler said.

"It puts the responsibility for learning on them. And it's working," she said.

As an example of this shift, Coen starts each of her biology units with a special review to gauge students' prior knowledge. Students are formed into teams and asked to use their mobile devices and apps to create a 2-minute presentation, either video or PowerPoint, on the subject. Thirty minutes is devoted to the assignment.

"Every team then delivers their presentation," said Coen, "which gives me a much better picture of what they know and what they don't know. So I can take a direction on the unit — whether it's cell structure or photosynthesis — that's better suited to what the students need.

“As a teacher, this forces me to dig deeper to make my lessons better and more in-depth,” said Coen.

Coen uses the mobile technology every day in her classroom. Many of her colleagues are doing the same. In other words, at Killough there’s no more doodling in your spiral notebook while the teacher lectures or the video runs.



## POWERFUL ANSWERS

### ENERGY MANAGEMENT

From vehicles to homes, our technology gives our customers more control over their energy use.



After installing NetworkFleet's system, the Eastern Municipal Water District in Riverside, Calif., reported fuel savings of nearly \$80,000 within the first six months.

### Using Our Networks to Remotely Manage Energy Use

Information Communications Technology (ICT) provides an answer to one of the fundamental challenges of this century: namely reducing emissions while maintaining economic growth and improving quality of life (see SMARTer2020 Report, [gesi.org/SMARTer2020](http://gesi.org/SMARTer2020)).

Telecom services that enable machines to monitor and control other devices, such as remote water meter reading or GPS vehicle routing, are reshaping the commercial landscape. In 2012, Verizon has moved into the fast lane of this market with a highly advanced automotive/fleet management service.

- **Networkfleet**, acquired as part of our purchase of Hughes Telematics, offers a wireless service that connects directly to a vehicle's engine. Fleet managers can remotely monitor engine diagnostics and emissions. A GPS feature tracks routes and vehicle locations as well as monitors driving speeds and idling time. The Eastern Municipal Water District in Riverside, Calif., reported fuel savings of nearly \$80,000 in its 350-vehicle fleet within the first six months of operation and a \$354,000 reduction in labor costs as drivers spent fewer hours on the road.
- A trash-bin monitoring system powered by Verizon's wireless network provides collection crews with real-time data on the status of city trash and recycling bins.. With this solution from partners such as **BigBelly Solar**, trash collection can be managed much more efficiently as collectors can limit trips and cover a larger area with fewer resources — with no overflows or litter.

Our 4G LTE wireless high-speed Internet service connects a powerful line-up of devices to provide anywhere, anytime control of everything from HVAC systems to appliances and security alarms.

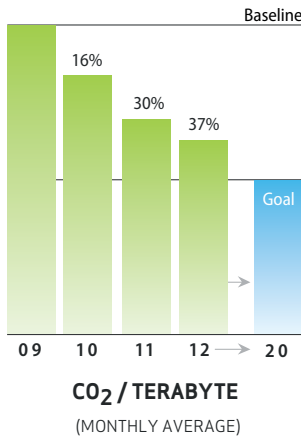
- Customers of **Lowe's Iris Smart Home System** will now be able remotely monitor and manage their homes. Verizon's wireless connection will eliminate the need for a wired broadband connection.
- The **Home Area Network Energy Gateway** is a meter-less, self-installed smart-grid solution that enables consumers to connect to the Internet to manage the energy use for plugged-in devices at home. Users can turn appliances on or off remotely, set schedules and control home temperature from a smartphone or web browser.

## POWERFUL ANSWERS PROTECTING THE ENVIRONMENT

We're exploring every avenue to minimize the environmental impact of our operations.

### Clear Goals. Real Metrics. Solid Results.

Our global network includes 46,232 cell sites, 21,866 facilities and a fleet of 35,837 vehicles. In 2012, we established five new environmental goals to minimize the impact of our operations.



LONG-TERM SUSTAINABILITY GOALS	
Goal	Status
Reduce carbon intensity by 50% by 2020 (2009 baseline).	10.1% reduction in 2012; 37.48% reduction since 2009.
Expand the Green Team to 15,000 members by 2014.	10,100 members at year-end 2012.
Collect more than 2 million pounds of e-waste through recycling events by 2015 (2010 baseline).	1.1 million pounds of e-waste collected since 2010.
Receive ENERGY STAR certification on 90% of eligible retail stores by 2013.	Complete. Certification awarded to 116 retail stores (100% of eligible stores) at year-end 2012.
Earn LEED* status for 100 retail stores by 2012.	Complete. 131 retail stores had earned LEED status by YE 2012; 71 stores were certified in 2012.
Increase our device recycling rate to 33% by 2015**	New for 2013
Modify all accessory packaging to only use paper content that is recycled or comes from responsible sources^ by 2013.	New for 2013
Devote 40% of our supplier spending with firms that measure and set targets to reduce carbon emissions by 2015.	New for 2013
Expand carbon reporting to include a major Scope 3 category: business travel.	New for 2013
Implement 10MW of green energy by 2014.	New for 2013

\*The Leadership in Energy and Environmental Design (LEED) program of the U.S. Green Building Council. LEED certification indicates a building was designed and built to ensure energy savings, water efficiency, and CO<sub>2</sub> emissions reduction among other quality measures.

\*\*The 33% includes devices collected via Trade-in and Hopeline programs as well as warranty (replaced like new devices) and insurance coverage plans.

^ Paper that has post-consumer content of at least 30% recycled material or certified virgin fiber that comes from responsible sources such as the Forest Stewardship Council or Sustainable Forestry Initiative.

## Progress on Carbon Intensity Goals

Verizon has reported on its energy usage and efficiency for more than a decade. To gauge our energy performance, we developed a methodology that shows “carbon intensity” — the carbon emissions that result from moving data across our networks. This way, we can assess how we are becoming more energy efficient even as our business expands. Our long-term goal: reduce our carbon intensity by 50 percent over our 2009 baseline by 2020.

### HIGHLIGHTS:

- We reduced our carbon intensity by 10 percent in 2012; since 2009, we have improved our carbon intensity by more than 37 percent.
- To date, our energy-efficiency measures have enabled us to increase the data on our network by 50 percent, while only increasing our electricity usage by 2 percent (see chart, Carbon Intensity Efficiency Results, 2009-12).
- In March 2013, the EPA named Verizon Wireless an ENERGY STAR Partner of the Year, for outstanding contributions to protecting the environment through energy efficiency and greenhouse gas reduction. Verizon Wireless is the first and only wireless provider to win this award.

VERIZON'S ENERGY EFFICIENCY RESULTS					
	2009	2010	2011	2012	% change
Terabyte throughput	67.87 million	78.65 million	88.59 million	102.47 million	50.68%
Electricity (kWh)	10.27 billion	10.24 billion	10.00 billion	10.47 billion	1.90%
CO <sub>2</sub> (metric tons)	6.20 million	6.06 million	5.64 million	5.86 million	(5.56)%
Kilowatt hour / Terabyte*	151.71	130.27	112.84	102.33	(32.55)%
CO <sub>2</sub> / Terabyte*	0.09158	0.07716	0.06369	0.05726	(37.48)%

\*monthly average

VERIZON'S 2012 CO <sub>2</sub> EMISSIONS PROFILE						
	2010		2011		2012	
	CO <sub>2</sub> (Metric Tons)	Percent Emissions	CO <sub>2</sub> (Metric Tons)	Percent Emissions	CO <sub>2</sub> (Metric Tons)	Percent Emissions
Vehicle fuels	430,959	7.11%	381,413	6.76%	387,723	6.62%
Building and other fuels	204,776	3.38%	199,859	3.54%	125,081	2.14%
Electricity	5,426,863	89.51%	5,061,414	89.79%	5,342,766	91.24%
Total	6,062,598	100%	5,642,686	100%	5,855,570	100%

EMISSIONS BY SCOPE			
	2011	2012	Percent Change
Scope 1	581,272	512,804	(11.8%)
Scope 2	5,061,414	5,342,766	5.6%
Total Scope 1 & 2	5,642,686	5,855,570	3.8%
Scope 3 - business travel	n/a	54,172	



*Verizon is testing extended-range electric cargo vans from VIA Motors that are expected to deliver 100 mpg with near-zero fuel emissions.*

## Greening the Verizon Fleet

We implemented a variety of solutions to reduce the carbon emissions of our more than 35,000-vehicle fleet during the past five years — adopting hybrid and alternative-fuel technologies, reducing idling, and establishing telematics-based operations. In 2012, we saved 207,653 gallons of fuel from reduced idling time.

Alternative-fuel vehicles currently make up 6.2 percent of our fleet. Our long-standing objective had been to reach 15 percent by 2015; however, the market for alternative fuel vehicles has not developed as fast as we anticipated. Vans are a staple of our fleet and alternative fuel choices are extremely limited.

We decided to reset our goal. We will now focus on taking greater advantage of fuel-saving technologies in conventional vehicles and by finding and adopting new fuel-saving practices.

Despite market conditions, we are pressing ahead to find more efficient, eco-friendly solutions for our fleet. Most recently, we have collaborated with VIA Motors to develop an extended-range electric cargo van that VIA expects to deliver 100 mpg with near-zero fuel emissions. Per vehicle, that works out to saving 750 gallons of fuel and reducing CO<sub>2</sub> emissions by 2.4 metric tons annually. We are currently testing two of these vehicles.

ALTERNATIVE VEHICLE PROFILE (Total vehicles in fleet)			
Vehicle Type	2010	2011	2012
Biofuel	370	730	435
CNG	513	514	514
Electric	-	10	10
Hybrid	1,007	1,303	1,267
SmartWay Logistics	12	12	12
<b>Total Green Vehicles</b>	<b>1,902</b>	<b>2,569</b>	<b>2,238</b>

We began using telematics in our fleet in 2010. In 2013, we will implement a NetworkFleet telematics solution for our entire fleet which runs on the Verizon Wireless network. The solution

provides location-based services and the ability to remotely monitor engine performance and condition. One of the more dramatic outcomes of this system: more efficient routing means vehicles spend less time idling.

As part of the U.S. Department of Energy's DOE's "Workplace Charging Challenge" we have pledged to double the number of charging stations available for our employees to charge their personal vehicles by 2014.

To conserve fuel and cut down on carbon emissions in its New York City operations, Verizon deployed 25 Mobile Garages. Up to 10 technicians can now be dispatched to work locations in the city via a bus. Two of the buses run on compressed natural gas, and each bus replaces 10 lighter vehicles. We hope to expand this program. (See video: [youtube/X0gfPsz06Is](https://www.youtube.com/watch?v=X0gfPsz06Is).)

## Processes: Reducing Environmental Impact

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We are focused on finding, designing and implementing new processes that will reduce our environmental impact and deliver a competitive advantage in the marketplace.

### **NEW ENERGY STANDARDS FOR OUR SUPPLY CHAIN**

In 2009, we were the first telecom company to set efficiency standards for network equipment purchased from our suppliers. We changed the game again in 2012, establishing a strategy for reducing the carbon emissions in our supply chain.

Last year, we sent an extensive survey to 229 suppliers, 200 of whom provided data on what we believe are the most pressing areas of sustainability in our supply chain: CO<sub>2</sub> emissions, solid waste management, water usage, packaging and the performance of sub-contractors.

This landmark data was used to establish several key goals:

- By 2015, 40 percent of our supplier spending will be with firms that measure and set targets to reduce their carbon emissions.
- A comprehensive "guidance" document will be created to help suppliers understand our assessment process and to find ways of reducing our collective environmental impact.
- New language will be incorporated in contract renewals that require suppliers to provide data and report on their environmental performance as part of an annual assessment.

### **ALTERNATIVE ENERGY FOR CELL TOWERS**

Verizon Wireless launched several groundbreaking energy projects in 2012 to find new ways of extending its wireless network to customers living in remote areas.



*Verizon teamed up with Wing Power Energy to erect small wind/solar turbines on the roof of our building in Salem, Mass.*

There are 26 Verizon cell sites operating in the United States that are partially powered by renewable energy sources like solar panels and wind. We are currently testing a new hybrid wind/solar technology as a way to improve cell coverage.

- A trial of this hybrid technology is underway in Salem, Mass., where Verizon teamed up with Wing Power Energy to erect three small wind/solar turbines on the roof of our building. Unlike conventional offshore wind turbines, these devices spin vertically, are completely silent and blend with an urban environment (see video at [youtu.be/9EwojiggFjY](http://youtu.be/9EwojiggFjY)) Results have been positive, heralding a possible breakthrough in finding clean energy sources that will allow the company to provide cell service in areas that are far from the electrical grid.

In a similar effort, Verizon Wireless partnered with the National Renewable Energy Laboratory to test whether combinations of solar, wind, battery and generator systems can be efficiently deployed at remote cell sites.

- Six cell sites were chosen for this review, each of which are far from the utility power grid and currently use propane generators as the source of power.
- Initial findings are impressive, promising significant savings in fuel, emissions and operating costs. For example, at one location a hybrid power system configuration could reduce fuel consumption by more than 70 percent.

#### **GREENER PACKAGING FOR CELL PHONE ACCESSORIES**

Big changes are underway in Verizon Wireless to make the packaging for chargers, batteries, headsets and other cell phone accessories more environmentally friendly. The packaging dimensions for these products are being reduced significantly — more than 50 percent in some instances — to save on materials and reduce distribution and fuel costs associated with each product. For instance, reducing the volume dimensions of a wall charger package by just 16 percent boosted the units per load from 14,976 to 39,936 — a 267 percent increase in efficiency.

Beginning in 2013, new packaging for Verizon Wireless branded accessories will consist of materials recycled from post-consumer waste or certified from a responsible source (e.g., Forest Stewardship Council or Sustainable Forestry Initiative). By the end of 2013, the printing process will only use vegetable- or soy-based inks with less than 10 percent volatile organic compounds.

### THE GREEN LIFE CYCLE OF OUR PHONES

Verizon's HopeLine program recycles and refurbishes no-longer used cell phones and accessories to help survivors and victims of domestic violence. The used gear is collected either by mail via our website, at our retail stores or through community rallies. (To learn more about Verizon's Domestic Violence Prevention effort, see page 25).

HOPELINE METRICS			
	2010	2011	2012
Phones collected	1.1 million	1.04 million	1.04 million
Phones refurbished	955,000	930,000	634,000
Phones recycled	147,000	113,000	407,000
Phones donated to shelters	25,000	29,000	28,000
Cash donated from HopeLine funds	\$2.18 million	\$4.2 million	\$3.77 million

Note: The reason for the variance between refurbished and recycled is because near the end of 2011 VZ switched vendors (noted in 2011 report). The previous vendor scanned and counted only phones that were refurbished. Our new vendor scans every device and tracks both recycled and refurbished phones.

In 2012, Verizon Wireless's Device Recycling Rate — the number of devices collected for recycling or repurposing per the total number of devices sold/upgraded — was 28 percent. Our long-term goal is to boost that percentage to 33 percent by 2015.

Our device recycling program allows customers to trade-in phones, tablets, and other wireless devices — regardless of when or where they were purchased — at our stores or online for a Verizon Wireless gift card that they can use toward a purchase or to pay their bill. Customers can also donate any of the proceeds to Hopeline and help victims of domestic violence. In 2012, the first year of the trade-in program, nearly 2 million mobile devices were collected. Our line-up of phones includes four phones with green features: Samsung's Intensity III, LG's Cosmos Touch and Extravert, and the Motorola Citrus.

Verizon Wireless also participates in Call2Recycle to help ensure that spent rechargeable batteries do not end up in landfills and the solid waste stream.

CELL PHONE BATTERY & ACCESSORIES RECYCLING			
	2010	2011	2012
Batteries (tons)	162.2	101.4	88.4*
Accessories (tons)	1263.98	929.61	576.2**

\* The decrease in battery recycling is due to a decrease in the number of phones with removal batteries. Recycling of smartphones with integrated batteries are managed through our trade-in program.

\*\*The volume of accessories has declined due to the introduction of universal chargers and other reusable accessories.

### SET-TOP BOXES PROGRAMMED FOR NEW ENERGY RULES

Verizon joined a number of video service providers and device manufacturers in a wide-ranging agreement to meet aggressive energy efficiency requirements for set-top boxes. The Set-Top Box Energy Conservation agreement calls for participating companies to ensure that at least 90 percent of all new set-top boxes purchased and deployed after January 1, 2014 will meet rigorous ENERGY STAR 3.0 efficiency levels. The agreement is expected to save \$1.5 billion in annual electricity costs across the industry.



*Verizon volunteers geo-tagged trees throughout Grapevine, Texas to create an accurate inventory that will help locate and preserve "Living Legacy" memorial trees.*

## People: Energizing the Community

We are leveraging our network of employees and customers to join us in reducing energy use and serve as responsible stewards of the environment.

### GREATER MOBILITY AT WORK

In 2012, we established a "Mobility at Work" pilot program to provide employees wider flexibility in where they work. Launched at three locations (2 domestic and 1 international), the program enables employees to work at different locations as the needs of the business require — at multiple Verizon locations, at a customer's site, on the go, or from home.

As part of the pilot, Verizon established flexible work spaces (Verizon Mobility Centers) with landing spaces, "reservable" spaces, and flexible meeting spaces. Additional Mobility at Work sites will be added in 2013.

### ANOTHER RECORD-BREAKING YEAR FOR RECYCLING

- Verizon held 36 recycling events at offices across the country in 2012, encouraging employees and their neighbors to bring in no-longer-used electronics gear, phones and supplies. Overall, more than half a million pounds of material was collected.
- Verizon's Smart Print Program reduced paper usage inside the company by 175 million pages in 2012 and 235 million pages since the program's inception. This is the equivalent of saving more than 30,600 trees.
- In 2010, Verizon joined with Relan Bags to "upcycle" our used billboards. Relan has collected more than 50,000 square feet of vinyl from Verizon and turns it into reusable items such as tote bags, luggage tags, ID badge holders and mouse pads.

TELECOM EQUIPMENT RECYCLING			
	2010	2011	2012
Telecom Equipment	26,400	20,500	15,168
Paper and Cardboard	25,400	35,600	22,219
Lead Acid Batteries	n/a	n/a	2,456



ENVIRONMENTAL NOTICES		
2010	2011	2012
42	30	58

## Broadening the Reach of Energy-Saving Technologies

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The Verizon Foundation is accelerating the introduction of our energy-saving technologies to new communities. It will identify a number of schools, medical clinics and senior living facilities to participate in its energy program. Through cash grants and technology-based solutions, these institutions will have the tools to modify their energy consumption and reduce carbon emissions.

- A school district using Verizon's Networkfleet product can monitor the speed and idle time of its bus fleet, making adjustments to routes for greater fuel efficiency.
- Technology-based "smart" building products can provide school districts with anytime, anywhere monitoring and control of building temperatures, making adjustments as needed to the HVAC systems.
- The Verizon Foundation will also establish energy programs for low-income consumers. These consumers will receive technology-enabled solutions designed to help them use energy more effectively, including educational materials and products that provide energy assessments and have monitoring capabilities.

## WHO WE ARE

### COMMUNITY IMPACT



*On Earth Day, Verizon employees and their families helped landscape Rutgers Gardens in New Brunswick, N.J.*

Verizon is a responsible and committed community partner. We encourage our employees to be involved in their communities; we ensure that our products are accessible to the broadest range of users; and we provide tools to keep families safe online.

### Supporting Verizon's Employee Volunteers

We support employee philanthropy and encourage sustained community service through matching gifts, volunteer grants, support for team fundraisers and disaster-relief efforts via the Verizon Foundation.

#### EMPLOYEE ENGAGEMENT, 2000-2012

- More than 41,000 organizations funded by employee efforts.
- More than \$326 million donated to non-profits supported by employees.
- More than 6.8 million employee hours volunteered.



*Verizon Wireless launched a new mobile HopeLine app to aid in its ongoing mission to support victims of domestic violence.*

### Domestic-Violence Prevention

Since 2000, Verizon and the Verizon Foundation have provided more than \$65 million in grants to domestic-violence prevention organizations and shelters. We have funded training for healthcare practitioners and law enforcement officials so that they can better identify cases of domestic violence and safely provide victims with the proper medical care and resources for help. We have also supported initiatives that encourage adult men to serve as role models to young men as well as programs that teach teens about healthy relationships and prevention of teen dating violence.

Through a grant partnership with Laura's House, a nonprofit organization that provides domestic violence-related services to residents of south Orange County, Calif., the Verizon Foundation funded a program aimed at raising the awareness of teen dating violence for young women and men.

The Healthy Emotions and Attitudes in Relationships for Teens (HEART) Program at Laura's House brings interactive workshops to schools and youth service organizations throughout Orange County. The workshops cover topics such as recognizing abusive behavior, dating violence, developing anger-management skills, establishing boundaries and building self-esteem. The workshops are offered on a year-round basis and the organization plans to

host more than 125 workshops reaching more than 3,800 teens during 2012 and 2013. To complement the workshops, the Verizon Foundation's grant is also assisting Laura's House to develop a social media outreach strategy for teens that includes updates to its teen web site ([laurashouse.org/lhteen](http://laurashouse.org/lhteen)).

Additionally, Verizon employees serve as volunteers with Laura's House and have assembled backpacks, Easter baskets, participate in its holiday food drive and helped translate its Teen Dating Website into Spanish.

## Verizon Pro Bono Program

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In 2009, we partnered with the law firm DLA Piper to create our Pro Bono program. Since then, Verizon attorneys and staff from our Public Policy, Law and Security Department have donated thousands of hours of legal help to individuals and non-profit organizations in need.

Their volunteer efforts range from teaching Street Law classes in high school to aspiring attorneys to representing domestic violence victims in legal proceedings and helping veterans reconnect to the civilian world.

Highlights in 2012 include:

- **Street Law Program:** We expanded our Street Law program to Atlanta this year and plans are underway to begin one in New York City. Our employees received the Street Law Legal Diversity Pipeline Award and two more awards in connection with our partnership with Equal Justice Works.
- **Direct Client Service Matter:** We expanded our clinics for immigrant victims of domestic violence to help them secure their legal status. We also added a new clinic at the Veterans Administration hospital in Lyons, N.J. Both of these clinics will be models for expansion in 2013.



*Through the Verizon Pro Bono Program, attorney Richard Fipphen took on the case of a young Tibetan refugee who was facing deportation.*

## IN OUR COMMUNITIES

### FEATURE STORY

## “It Sure Felt Like We Were Family”

In the end, it became a great American story.

A young immigrant fleeing to the United States for safety. A six-year struggle to survive. Life-changing advice from a helpful stranger. Resourceful volunteers who shoulder her legal troubles and become a surrogate family in the process.

Verizon attorney Richard Fipphen is one of the volunteers at the heart of this success story. But success was a distant image when Fipphen and his colleagues first met their client.

Early in 2011 they were introduced through the Verizon Pro Bono Program to a young Tibetan refugee who was facing possible deportation. The client — whose identity remains protected — had escaped to the United States in 2005 after being raped and tortured in her home country. Her years in America had been bleak. According to Fipphen, she was deeply scarred by her experience, living a marginal existence and very scared of being arrested by American authorities and deported to her native country.

A chance meeting changed everything. The young refugee met a fellow immigrant on the New York subway and, as sometimes happens with strangers, got good advice. The stranger urged her to get help and directed her to an organization associated with New York’s Bellevue Hospital that provides counseling and medical care for victims of torture.

Fipphen and his colleagues first met with her in March 2011. Her case had been referred to their team by the New York Legal Assistance Group. Soon after, they began preparing her application for asylum. This meant documenting the details of her story and medical condition and devoting weeks of preparation for an interview with an asylum officer at the Department of Homeland Security. That interview took place in October 2011.

The case finally reached the Department of Justice Immigration Court in December 2012. Getting a trial date that quickly after the asylum interview was in itself a feat of resourcefulness by the team, as the court had originally set the trial for July 2014.

“We came to the courtroom on December 17 expecting the trial to last much of the day,” recalled Fipphen. “But after an hour the judge told the government attorney, ‘I disagree.’ And to our client he said, ‘I grant you asylum. Welcome to the United States.’”

“Our client was confused because the trial went so fast. She thought she had been turned down and was facing possible deportation. When she finally understood, she was just stunned and burst out crying. She had told us earlier that, with her mother and brother in Nepal, we were her family. And we sure felt that way,” said Fipphen.

Fipphen and his colleagues are now working on renewing a work authorization permit for their client and obtaining a green card — the pathway to U.S. citizenship and the ability to bring her family here from Nepal.

“The best is yet to come,” said Fipphen. “I hope in a few years that we’ll join her for a family reunion at JFK Airport.”

## Making Our Technology Accessible to Everyone

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

Making it easier for everyone to see, hear, use and personalize their communication and devices is at the heart of our commitment to accessibility. We are working with a wide range of organizations to assist us in finding ways to approach accessibility in new ways.

- Our personal emergency-response system called SureResponse uses a simple mobile calling device to connect users to specialized care agents who direct the call to the right person for help in an emergency, providing peace of mind for seniors and their families.
- Customers will soon be able to access first-run, video-described movies as part of the FiOS-TV video-on-demand library.
- As a “preferred carrier,” we’ve partnered with the state of Nebraska to provide qualified residents who are deaf, hard-of-hearing, or speech-impaired with wireless devices — including tablets, smartphones and netbooks — free of charge with a state-funded voucher.
- A pilot project is underway that is testing the first text-to-911 solution.
- Among our suite of services and device features for seniors and people with disabilities:
  - Two national service centers devoted to customers with disabilities;
  - Voice commands and menu readouts on a majority of our wireless devices;
  - Large menu fonts and keypads;
  - Simple 411 assistance for customers who are blind, have low vision or a dexterity or cognitive disability;
  - Video relay services, text-only messaging plans, big-button phones; and
  - A host of messaging and chat-without-talking applications.



## Tools to Keep Families Safe Online

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### MOBILE APP RATINGS

In 2012, our long-standing support for responsible ratings systems resulted in the introduction of a new industry-standard CTIA-ESRB ratings system for mobile apps. It exemplifies our commitment to giving families the best tools to manage content on wireless devices.

### ONLINE SAFETY INFORMATION

We provide 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:** This subscription service protects computers, personal information, and children from a wide array of online threats.

Learn more at [responsibility.verizon.com/online-safety](http://responsibility.verizon.com/online-safety)

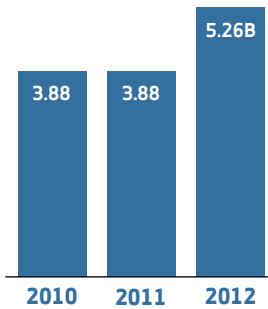
### POLICIES THAT PROTECT

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

**Privacy Policy:** Our respect for customer privacy, security and choice means we clearly communicate our privacy policies and offer customers 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)

Overall Spending with  
Diverse Suppliers



## Supplier Diversity

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Our supplier-diversity program aims to create more opportunities for certified minority, women, disabled, Vietnam-era and service-disabled veteran business enterprises (MWDVBEs). In 2012, our overall spending with diverse suppliers rose \$1.46 billion, to a total of \$5.26 billion.

## Network Resilience

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The extreme weather events that impacted our network in 2012 reinforced the importance of our ongoing network modernization investment and business continuity planning. Increasing our deployment of fiber cable not only affords us more flexibility in serving the needs of our customers, but also makes our network more resilient to weather related risks. In addition to fiber, the deployment of backup generators and the commitment to periodic routines to test backup systems increases our reliability.



## WHO WE ARE EMPOWERING EMPLOYEES

Our commitment to employees includes maintaining a culture that offers rewarding work, the opportunity to build a great career, and an empowering, respectful work environment.

### Career Development

Last year we invested more than \$280 million in learning and development, offering more than 11,000 courses. In total, Verizon employees completed 7.9 million hours of training in 2012 — equivalent to an average of 44.6 hours per employee. In three years alone, Verizon employees have completed more than 25 million hours of training.

EMPLOYEE TRAINING	
(average annual training hours per employee)	
2010	47.8
2011	44.1
2012	44.6

VERIZON TUITION ASSISTANCE PROGRAMS		
Year	Participants	Expenditures
2010	31,741	\$114M
2011	27,232	\$127M
2012	23,302	\$98.6M

#### TUITION ASSISTANCE

Our Global Tuition Assistance Program provides employees with up to \$8,000 annually to fund higher-education studies for enhancing their careers at Verizon. In 2012, more than 23,000 employees across the company were funded through the program.

### Diversity

In 2012, we extended our diversity policy to cover gender identity and expression. Our equal opportunity policy now states that we provide protection to all persons, without regard to race, color, religion, age, gender, sexual orientation, gender identity and expression, national origin, disability, military status, citizenship status, veteran status or any other protected categories. Verizon does not discriminate on the basis of any protected classification listed above, or other categories protected under federal, state or local law.



## Culture and Engagement

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We conduct biennial employee opinion surveys. Our 2012 results showed that we surpassed industry benchmarks for measures on culture/values, pay and benefits, corporate citizenship, overall satisfaction and engagement. Also, of the 18 questions repeated from the 2010 survey, 83 percent improved in favorability. Nearly 94,000 employees responded, and we received more than 40,000 write-in comments.

## Safety

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Safety is a top priority at Verizon. We are committed to ensuring that all employees have a safe and productive work environment. We work continuously to keep safety top-of-mind and to enhance our procedures as part of making safety an integral part of our workplace culture.

Our overall safety performance on a key metric as measured by the Bureau of Labor Statistics (BLS) places us among the leaders for safety in our industry. In 2012, our Occupational Injuries & Illnesses Rate for U.S. Operations was 1.35 per 100 employees, well ahead of the BLS telecommunications industry standard of 2.10 and approximately 6 percent better than the prior year. Our safety performance is a direct result of our comprehensive safety management process.

Beyond our safety management processes, we strive to create a Culture of Safety among all employees across Verizon through our BE SAFE behavior-based program. The focus is on raising safety awareness, encouraging safe behaviors and creating personal accountability for safety. The principles of our BE SAFE Program have been integrated into our culture, and we continuously communicate to employees about the Be SAFE principles to ensure they are a standard part of how we work.

VERIZON INCIDENT RATES			
	(Per 100)		
	2010	2011	2012
Occupational Injuries & Illnesses Rate	1.81	2.20	1.35

## PROFILE & PERFORMANCE

### KEY PERFORMANCE INDICATORS

We track both the business and social value of our efforts to be responsible corporate citizens.

ETHICS & GOVERNANCE		
What we said we'd do	What we did	What we'll do next
Enhance "Privacy by Design" review processes in the development of new products and services enterprise-wide	Developed customer-focused privacy notifications and controls for new offerings; continued educating service-delivery teams about privacy issues to consider during product development.	Enhance the transparency of mobile application privacy policies and statements.
Administer Verizon Code of Conduct training to reaffirm our commitment to the highest ethical standards.	Administered the training; completed by all active employees across the globe.	Reinforce our Code of Conduct to all employees through proactive communications and compliance training.
		Update our Supplier Code of Conduct.
Administer the Conflict of Interest Questionnaire to our leadership team and Supply Chain Services organization.	Administered the questionnaire; completed by all members of the leadership team and Supply Chain Services organization.	Re-administer the Conflict of Interest Questionnaire to the leadership team and Supply Chain Services organization.
Continue to work with the Socially Responsible Investment (SRI) community to understand best practices in corporate responsibility reporting.	Engaged with SRIs to understand key performance indicators and added new supply chain and sustainability goals for 2013 (see Sustainability section for details).	Update our Human Rights Statement and human rights risk-assessment process.

VERIZON FOUNDATION COMMUNITY IMPACT		
What we said we'd do	What we did	What we'll do next
<b>Education</b>  Create digital classrooms with high student achievement in science, technology, engineering and math (STEM) subjects.	Launched the Verizon Innovative Learning Schools (VILS) Program in 12 schools; funded training and purchase of mobile devices; more than 100 teachers trained who will reach more than 6,400 students.	Expand the VILS Program to an additional 12 schools.
	Created the Verizon Innovative App Challenge, fielding 471 entries from student teams that address a community problem by creating a new mobile app.	Publish findings on the impact of the VILS Program on student engagement and proficiency in STEM subjects.
	Expanded the Thinkfinity community to more than 64,000 members; aligned Thinkfinity content to national education standards; updated our websites.	Launch a professional development program for teachers in higher education that focuses on integrating mobile devices in instruction.
		Select the 10 winning teams in the Verizon App Challenge.  Expand the scope of Thinkfinity to include: online conferences; new resources for using mobile devices in the classroom; online demos by teachers on technology-based lessons.
<b>Healthcare</b>  Deliver innovative healthcare solutions through technology-based programs in m Health, Remote Disease Management and Virtual Care.	Formed a groundbreaking in-kind partnership to fund/equip four non-profit healthcare groups with new health information technology and patient education programs.	Launch the Verizon healthcare partnership at 23 sites across the country; publish assessment of the program's impact on chronic disease management.
Address the disparities of access to healthcare services for underserved communities.	Created a new framework that will measure the impact our health partnerships will have in improving access for those disproportionately affected by chronic diseases, i.e., women, children and seniors.	
<b>Sustainability</b>  Launch philanthropic initiatives that emphasize smart energy management and increase sustainability awareness and education for underserved communities.	Funded programs that focus on energy-management education for underserved populations, such as the Neighbor Works Green Living Certification and the United Negro College Fund Energy Academy Programs	Launch a comprehensive energy management effort for underserved areas that uses innovative technology and education tools to decrease energy consumption and carbon emissions.
<b>Employee Engagement</b>  Increase employee involvement in Foundation social cause areas through volunteerism programs and events.	Increased employee participation by 60% in these areas by introducing new programs and new ways of connecting with the Verizon Foundation.	Continue boosting employee participation in social causes; increase involvement of international workforce.

EMPOWERING EMPLOYEES		
What we said we'd do	What we did	What we'll do next
Conduct our biennial Viewpoints survey in 2012.	Received nearly 94,000 responses from employees worldwide in 2012.	Conduct our biennial "Viewpoints" employee opinion survey in 2014.
Enhance resources to address disparities in diabetes care and help employees better manage this condition.	Enhanced outreach to target more first-time diabetics to raise awareness on the importance of adhering to medication and screenings.	Develop diabetes scorecard to help determine gaps in care protocols for employees, specifically disparities in care.
Continue participation in the activities of the Health IT NOW Coalition that highlights the need for interoperable electronic health systems.	Participated in briefings with policymakers; provided input to coalition filings that urged increased adoption of technology in healthcare.	Continue to be an active participant in the HealthIT NOW Coalition, urging policymakers to address the need for interoperable systems in healthcare.
Continue collaboration with Catalyst for Payment Reform members to identify and coordinate workable solutions that help improve healthcare quality and reduce healthcare costs in the U.S.	Opted not to join this coalition although we are supportive of the group's mission and goals.	

ACCESSIBILITY		
What we said we'd do	What we did	What we'll do next
Introduce a screen reader application for Android smartphones.	Introduced new app to customers via free software download.	Introduce new feature phones, smartphones and tablets with expanded accessibility features
Introduce a personal, mobile emergency response system.	Launched new SureResponse service in 3Q 2012.	Expand awareness of SureResponse and introduce new features
Introduce the voicemail-to-text product.	Completed product testing and set go-to-market plans for 2013.	Release voicemail-to-text product in 3Q 2013
Work with federal lawmakers and advocacy groups to shape the rulemaking for the new federal accessibility law.	Actively participated in implementation sessions and briefings at the FCC.	Influence implementation of federal accessibility law.
Offer first-run, video-described movies as part of our growing video-on-demand library on FiOS-TV.	Forged partnership with content providers to provide video-described movies on FiOS TV in early 2013.	Expand the library of video-described movies available for FiOS TV.
Include audio features in the FiOS-TV Interactive Media Guide.	Continued development of the technology.	Introduce audio features in FiOS TV Interactive Media Guide in 2Q 2013.

SUSTAINABILITY		
What we said we'd do	What we did	What we'll do next
Reduce our carbon intensity by an additional 10% (long-term goal: 50% reduction from 2009 baseline by 2020).	Reduced our carbon intensity by 10%.	Continue to reduce our carbon intensity in pursuit of our 2020 goal
Continue progress toward our 2015 goal of 15% alternative-fueled vehicles in our fleet.	Collaborated with VIA Motors to develop an extended-range, 100 mpg electric cargo van.	Implement 10MW of green energy by 2014.
	Changes in the vehicle market have required we reset our target. New targets will be announced in 2013.	Develop a new metric to measure the efficiency of Verizon's fleet.
Engage 200 suppliers in Green Supplier surveys.	Received 200 responses from suppliers, providing data on their CO <sub>2</sub> emissions, solid waste management, water usage, packaging, performance of sub-contractors.	Expand GHG category reporting to include a major Scope 3 category, business travel.
	Data was used to establish a 2015 supply chain GHG goal (see "What we'll do next").	Establish processes that support our goal of ensuring 40% of our supplier spending by 2015 will be with firms that measure and set targets to reduce their carbon emissions.
Make progress toward our goal of operating 250 "smart" buildings by 2015.	As of year-end 2012: 131 Verizon Wireless stores had earned LEED* certification.	Modify accessory packaging to only use content that is recycled or comes from responsible sources by 2013.
	116 Verizon retail stores had received the EPA's ENERGY STAR certification.	Increase the "device recycling rate" to 33% by 2015.
Publicize our energy position statement.	Supported an update of the GeSI SMARTer2020 report, which details the critical role of broadband technology in driving sustainability ( <a href="http://gesi.org/SMARTer2020">gesi.org/SMARTer2020</a> )	Make progress on our established long-term sustainability goals: <ul style="list-style-type: none"> <li>• Reduce our carbon intensity 50% by 2020 (2009 baseline).</li> <li>• Collect more than 2 million pounds of e-waste by 2015.</li> <li>• Expand the Verizon Green Team to 15,000 members by 2014.</li> </ul>
Formalize water savings strategy, implementation plan and success measurements.	Reset as a 2013 objective	Formalize water savings strategy, implementation plan and success measurements (carried over from 2012).
Collect 1 million pounds of e-waste through community and employee recycling rallies.	Collected 1,129,257 lbs. from Sept. 2009 through 2012	

\*The U.S. Green Building Council's Leadership in Energy & Environmental Design program.

^ Devices collected per devices sold/upgraded

## PROFILE & PERFORMANCE

### COMPANY PROFILE

INVESTING IN OUR COMMUNITIES*			
	\$ in Billions		
	2010	2011	2012
Capital investment	\$16.5	\$16.2	\$ 16.2
Cash paid for income tax and other taxes paid	\$3.8	\$4.0	\$ 3.4
Salaries & wages	\$15.3	\$15.4	\$ 14.6
Purchases from diverse suppliers	\$3.8	\$3.8	\$ 5.3
Cash dividends paid to shareowners	\$5.4	\$5.6	\$ 5.2
Pension and other retirement payments	\$3.7	\$4.3	\$ 4.5

\*We have reclassified certain prior year amounts to conform to the current year

2012 FINANCIALS AND OPERATING STATISTICS	
Consolidated Revenues	\$115.8 billion
Net Income Attributable to Verizon	\$8.75 billion
Operating Cash Flow	\$31.5 billion
Capital Investment	\$16.2 billion
Declared Dividends per Share	\$2.030
Reported Earnings per Share	\$0.31
Verizon Wireless	
Revenue	\$75.8 billion
Customers	98.2 million
Verizon Wireline	
Revenue (residential and business)	\$61.4 billion
FiOS TV customers	4.7 million
FiOS Internet customers	5.4 million
Broadband connections	8.8 million
Access lines	22.5 million
Global IP Network presence	2,700+ cities in 150+ countries
Data centers	200+ in 22 countries

## PROFILE & PERFORMANCE

### EMPLOYEE PROFILE

2012 EMPLOYEE PROFILE					
	Total Workforce (2012)		Total Workforce (2011)		2010 Total U.S. Labor Force
<b>Ethnic Groups</b>					
American Indian/Alaskan Native	883	0.5%	947	0.5%	0.7%
Asian	9,519	5.6%	9,335	5.2%	6.6%
Native Hawaiian/Pacific Islander	559	0.3%	613	0.3%	0.2%
Black/African American	32,807	19.3%	35,763	19.8%	10.8%
Hispanic/Latino	17,765	10.4%	18,926	10.5%	14.2%
Two Races or More	2,884	1.7%	3,000	1.7%	1.9%
White	105,745	62.1%	112,418	62.1%	65.7%
<b>Total US</b>	<b>170,162</b>		<b>181,002</b>		<b>100.0%</b>
International	13,238		12,898		
<b>Total Worldwide</b>	<b>183,400</b>		<b>193,900</b>		
<b>By Gender (U.S.)</b>					
Female	65,172	38.3%	70,862	39.1%	47.3%
Male	104,990	61.7%	110,140	60.9%	52.7%
<b>Total U.S.</b>	<b>170,162</b>		<b>181,002</b>		
<b>By Gender (International)</b>					
Female	3,137	23.7%	3,019	23.4%	
Male	10,101	76.3%	9,879	76.6%	
<b>Total International</b>	<b>13,238</b>		<b>12,898</b>		
<b>By Gender (Worldwide)</b>					
Female	68,309	37.2%	73,904	38.1%	
Male	115,091	62.8%	119,996	61.9%	
<b>Total Worldwide</b>	<b>183,400</b>		<b>193,900</b>		

People of color represent 27 percent of senior management (vice president and above).

Women represent 29 percent of senior management (vice president and above).

## PROFILE AND PERFORMANCE

### AWARDS AND HONORS

#### Corporate Citizenship

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In 2012 and 2013, Verizon earned the No. 1 ranking in the telecommunications sector on *Fortune* magazine's list of the World's Most Admired Companies. We received the top ranking in 4 out of 9 reputation categories: innovation, social responsibility, quality of management, and quality of products/services.

Verizon was named to *CR* magazine's 100 Best Corporate Citizens list for 2012 for the fifth consecutive year.

The Ponemon Institute again ranked Verizon among the top 20 companies in its annual survey of the Most Trusted Companies for Privacy. Verizon has steadily improved in the top 20 rankings since 2009, placing 11th in 2012.

The Verizon Foundation and Verizon volunteers received the National Academy Foundation's 2012 Award for Exemplary Commitment to Education for mentoring NAF students, offering career workshops, serving on advisory committees and serving as guest speakers.

#### Diversity | Workplace | Innovation

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For the 12th consecutive year, Verizon was named to *Working Mother* magazine's 2012 list of the 100 Best Companies for Working Mothers.

For the 10th year in a row, Verizon Wireless has been recognized as one of the top workplaces for information technology professionals. Verizon Wireless placed sixth on *Computerworld's* 100 Best Places to Work in IT 2012.

Verizon is ranked No. 1 on *Training* magazine's 2012 Training Top 125, a list of companies that have the best training and development programs for employees.

Street Law awarded Verizon with its 2012 Legal Diversity Pipeline Award for its work in engaging high school students to critically examine the civic system and encouraging them to pursue careers in the legal profession.

For the seventh consecutive year, *Working Mother* magazine ranked us among the best companies for multicultural women.



Verizon's continued efforts to create a diverse workforce and an inclusive work environment have again earned the company a ranking on the *DiversityInc* 2012 list of Top 50 Companies for Diversity.

Verizon earned a top 10 ranking in *Military Times* "Best for Vets 2012" list for our long-standing support of military personnel.

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.

In 2012, *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.

Verizon was No. 9 on *Diversity MBA* magazine's "50 Out Front" 2012 list of best companies for diverse managers.

Verizon's commitment to helping employees' lead healthy lives earned the company a spot on the National Business Group on Health's 2012 list of Best Employers for Healthy Lifestyles for the fourth time.

Surgeon General's gold medallion: Verizon was one of eight companies recognized by the U.S. Department of Health and Human Services and the White House Business Council in 2012 for our work in reducing healthcare disparities in the workplace and for supporting a diverse workforce.

## Environmental | Social | Governance

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In March 2013, the EPA named Verizon Wireless an ENERGY STAR Partner of the Year, honoring Verizon for making outstanding contributions to protecting the environment through energy efficiency and greenhouse gas reduction. Verizon Wireless is the first and only wireless provider to win this award.

Verizon was named to *Newsweek's* 2012 U.S. Green rankings for the fourth consecutive year, in the top 100 of the U.S. 500 ranking.

Verizon is included on the following socially responsible investment lists: FTSE4Good Index, Ethibel Sustainability Index 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.