



THE  
WORLD'S BIGGEST CHALLENGES  
**DESERVE EVEN BIGGER SOLUTIONS.**

{ POWERFUL ANSWERS }

# PRESIDENT'S LETTER

## *Does technology make us more connected?*

There has been a keen discussion on this point lately. Namely, whether the always-on, mobile, digital society that we're all a part of brings us closer together or isolates us socially and keeps us from doing things in authentic ways.

There is no debate in our view. We have always believed in the power of technology to open opportunities for creativity and commerce. In fact, we believe technology can solve almost anything precisely *because* it connects people and resources in new combinations that are transforming our society and providing powerful answers to the big challenges of our day.

For instance, we instinctively believed that — with the proper support and training for teachers and students — infusing technology into the classroom can transform education, enabling teachers to customize the learning environment in ways that better prepare a student to thrive in the digital economy.

Likewise, the U.S. spends nearly \$3 trillion a year on healthcare, and this cost is growing more than 5 percent annually. Technology innovation can dramatically improve the productivity in this system and bring vast, immediate improvements in quality of life. Like helping underserved communities access big-city care, for instance. Or providing seniors the means to monitor their health and stay independent. Or helping disadvantaged people manage chronic diseases.

Similarly, mobile and cloud technologies provide the tools for people and institutions to use energy more efficiently, creating a path to a more sustainable planet.

### **In this report, you'll read about how broadband technology is providing powerful answers to issues like these:**

- Victor Zapata, a fifth-grader in Artesia, CA, can't get enough of learning since we provided training for his teachers on the most effective ways to use technology in the classroom ([see page 16](#)).
- Doctors from 65 emerging countries can now consult with nearly 500 specialist physicians from leading medical centers around the world via a global telemedicine network developed through a partnership we have with the University of Virginia Telemedicine program and the U.K.-based Swinfen Charitable Trust ([see page 30](#)).
- Families in an Austin, TX, neighborhood are learning about smart home energy use in a study we're conducting with Pecan Street Inc., a leading energy research group ([see page 33](#)).

It's our job to help kindle this immense potential. We're working with leading nonprofit innovators to solve big challenges in education, healthcare and energy and expanding access to technology in underserved communities.

As committed as we are to using our technology for delivering both business and social value, we are equally dedicated to acting responsibly inside Verizon. As you will see, we are making progress there as well.

In all our efforts, we aim to demonstrate how our technology can make us more connected, accelerating social change and creating value for our shareowners and the communities we serve.



*We're working to solve big challenges in education, healthcare and energy and expanding access to technology in underserved communities.*

**Rose Stuckey Kirk**  
VP — Office of Global Corporate Citizenship &  
President — Verizon Foundation

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# 2013 CORPORATE RESPONSIBILITY HIGHLIGHTS

## EDUCATION

### VERIZON INNOVATIVE LEARNING SCHOOLS

First-year results\* show the [Verizon Innovative Learning Schools](#) (VILS) program, which concentrates on the infusion of mobile technology in the classroom coupled with teacher training, is positively affecting student interest and achievement in STEM (science, technology, engineering and math).



› Teacher training on using mobile technology is helping Alyssa Carrillo and her classmates at Niemes Elementary School in Artesia, CA, to perform better in STEM.



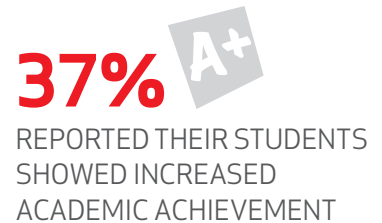
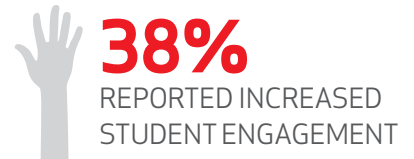
In assessment surveys, VILS students were more inclined than their non-VILS peers to attend college and more confident about wanting to major in a STEM field. They also reported more positive views about math and science and more frequent use of technology.

#### VILS STUDENTS ALSO REPORTED THAT:

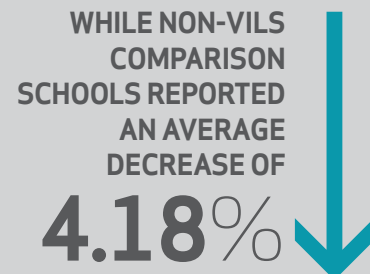
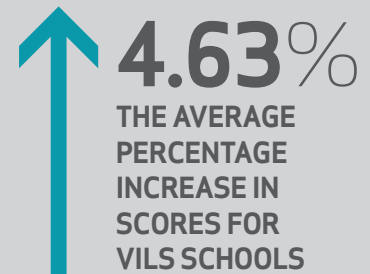
***“Using technology makes STEM instruction more interesting.”***

\* Evaluations conducted by International Society for Technology in Education (ISTE), “VILS 2012-13 Summary.”

A survey of VILS teachers conducted midway in the 2012-2013 school year showed **100 percent of the teachers reported that VILS-inspired instruction was having a positive effect** on some aspect of student attitude or achievement.



#### RESULTS OF STANDARDIZED MATH AND SCIENCE ASSESSMENTS:







STEM: INDIA

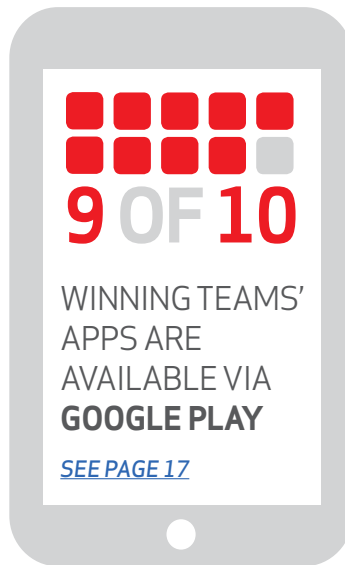


› Students at the Government Girls' High School.

Our partnership with India's Institute of International Education is training teachers to deliver STEM curriculum to 200 girls in 10 schools in Chennai and Hyderabad. The training is designed to help increase the number of girls taking and passing entrance exams for the Indian Institute of Technology.

VERIZON INNOVATIVE APP CHALLENGE

1,010 teams registered from all 50 states and the District of Columbia and nearly 500 concepts were submitted to the inaugural 2012-2013 [Verizon Innovative App Challenge](#).



THOUSANDS

OF MIDDLE AND HIGH SCHOOL STUDENTS PARTICIPATED, SPARKING NEW INTEREST IN POTENTIAL STEM CAREERS.

1,010 TEAMS

REGISTERED AROUND THE COUNTRY IN THE 2012-2013 APP CHALLENGE.



› The "Invase Erase" team from Jefferson Township Middle School in Oak Ridge, NJ, a winner in the 2013 Verizon Innovative App Challenge.

NEW INITIATIVES AND EXPANSION

\$100 MILLION

In February 2014, Verizon appeared with President Obama and several tech companies to announce an investment in education of up to \$100 million in cash and in-kind services over the next three years. We will extend the success of some of our existing programs on technology training for teachers and our app development program, while also leveraging the work of our employees and partners in education.

# HEALTHCARE

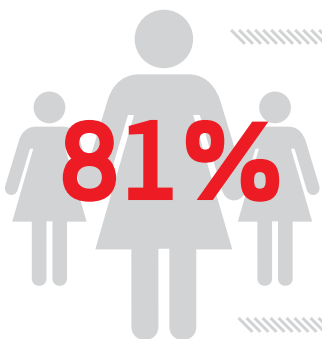


## REMOTE BIOMETRIC TECHNOLOGY

Remote biometric technology devices are being deployed in the homes of underserved seniors via our partnership with the South Boston Community Health Center group. **The devices will enable these seniors to provide daily readings of their blood pressure, weight, glucose or lung capacity to a care manager without leaving home.**

## HEALTH CENTER PARTNERSHIPS

We partnered with health centers at Johns Hopkins and Emory Universities to develop ways that mobile technology can increase access to care and help with chronic disease management for underserved women.



**81%** of American women who say they have experienced domestic abuse also report suffering from a chronic health condition, [according to a survey we commissioned with MORE magazine in 2013.](#)

**In response,** we launched an outreach effort via the Robert Wood Johnson University Hospital in New Jersey to arm doctors and nurses with [strong domestic violence screening practices.](#)

**We've also joined** a nationwide network of experts from a range of disciplines to identify how technology can increase domestic violence intervention and improve chronic health conditions.

## OPEN VIDEO



Doctors at the Children's National Medical Center in Washington, DC, are using our Open Video technology to train community health workers and cardiologists in Brazil to perform and **interpret echocardiograms and screen children for rheumatic heart disease.**



**VIDEO DIRECTLY  
OBSERVED THERAPY**

We are funding the expansion of a ***new treatment-monitoring system*** that uses our mobile technology to improve care for TB patients. The system uses our cloud service and smartphones so patients can video themselves taking their daily medications and send the videos to health departments. Health workers are making fewer at-home visits, which cuts costs, and treatment adherence is improving.



› Members of the medical team from Children’s Health Fund South Florida, our partners in a new health IT initiative.

**CHILDREN’S HEALTH FUND**

Medical personnel at several ***Children’s Health Fund locations are using our mobile technology*** to support the comprehensive care they provide to disadvantaged youth. Children’s Health Fund estimates that using the technology at these locations will save approximately 4,000 hours in administrative tasks annually, freeing up significantly more time to spend with patients.



**HOURS SAVED ANNUALLY  
IN ADMINISTRATIVE TASKS**

**WORLDWIDE TELEHEALTH NETWORK**

We are partnering with the University of Virginia Telemedicine program and the U.K.-based Swinfen Charitable Trust to ***improve access to healthcare knowledge around the world.***



Our **CLOUD SERVICES** will enhance delivery of a global telemedicine platform started by the university and Swinfen.

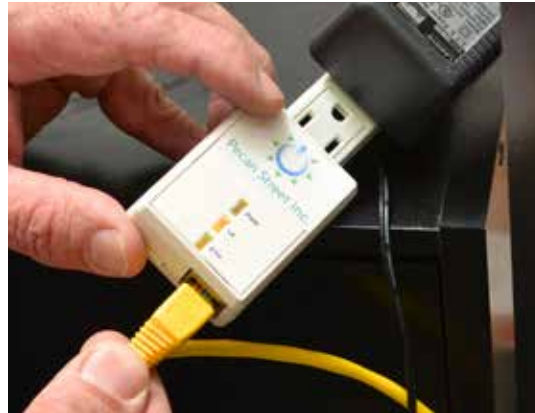
Our partnership will also include funding for **MOBILE CONNECTIVITY** so doctors around the world can access and consult with world-class specialists in the diagnosis and treatment of their patients.



# ENERGY MANAGEMENT

## PECAN STREET

We've teamed up with [Pecan Street Inc.](#), a Texas-based energy research group, to launch a trial that will empower consumers to make smarter choices about their energy use.



The trial — Smart Solutions for Affordable Housing Program — involves 140 households in Austin, TX. Participants have been outfitted with a complete energy monitoring system, including smart thermostats, 4G LTE routers, tablets and a mobile app that provides real-time energy use data.

### CO<sub>2</sub> REDUCTION ENABLED BY VERIZON SOLUTIONS

Analysis by Accenture indicates that our smart building, smart grid and smart transport solutions, coupled with travel substitution facilitated by our services, enabled our customers to significantly reduce their energy consumption — a gross reduction of 12.25 to 16.03 million metric tons of CO<sub>2</sub> in 2013.

THE CO<sub>2</sub> REDUCED IS EQUIVALENT TO THE ANNUAL GREENHOUSE GAS EMISSIONS FROM APPROXIMATELY **3 MILLION CARS**



### SUPPLIER CODE OF CONDUCT

We amended our [Supplier Code of Conduct](#) to require our suppliers to protect their workers' freedom of association and to explicitly prohibit child labor and forced labor.



# GOVERNANCE AND LEADERSHIP

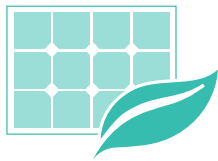
## TRANSPARENCY

In January 2014, we launched an online [Transparency Report](#) that provides data on the number of law enforcement requests for consumer information that Verizon received in 2013 in the U.S. and other countries where we do business.

# SUSTAINABILITY

## GREEN ENERGY

Construction began on a **\$100 million initiative** to install solar power and fuel cells at 17 Verizon facilities by the end of 2014. This commitment to green energy is an important new element of our broader strategy to cut the carbon intensity of our business in half by 2020.



**12.4MW** OF FUEL CELLS AND SOLAR WERE IMPLEMENTED, BY YEAR-END, WITH ANOTHER 2.6MW NEAR COMPLETION

## PACKAGING

We modified all the packaging for Verizon-branded accessories to only use content that is recycled or comes from responsible sources.

**IN SOME INSTANCES, WE REDUCED THE SIZE OF THIS PACKAGING UP TO**

**90%**



## ENGAGING EMPLOYEES

### EMPLOYEE TRAINING

**\$275 MILLION**

WAS INVESTED BY VERIZON IN LEARNING AND DEVELOPMENT FOR EMPLOYEES IN 2013

## TUITION ASSISTANCE

NEARLY **22,000** EMPLOYEES FURTHERED THEIR EDUCATION IN 2013 WITH HELP FROM THE VERIZON GLOBAL TUITION ASSISTANCE PROGRAM.

**\$86.3 MILLION** TOTAL PROGRAM SPENDING IN 2013



**8 MILLION HOURS**

OF TRAINING COMPLETED BY VERIZON EMPLOYEES IN 2013 — AN AVERAGE OF 45.2 HOURS PER EMPLOYEE

## SUPPLY CHAIN

### SUPPLIER DIVERSITY

**IN 2013, VERIZON PURCHASED:**

**\$6.3 BILLION IN GOODS AND SERVICES**

with minority, women and service-disabled veteran business enterprises — the highest total in company history and nearly a 20 percent increase compared with 2012.

## VERIZON POWERFUL ANSWERS AWARD: 1 COMPETITION —15 LIFE-CHANGING IDEAS

To encourage entrepreneurs and highlight the vast innovation that our networks can support, we launched the [Powerful Answers Award competition in 2013](#). The competition encourages innovators to submit their innovative product and service ideas in the fields of education, healthcare and sustainability.

15 winners were announced in January at the 2014 Consumer Electronics Show, with the top three winners each receiving \$1 million.



YOGEV SHELLY

### EDUCATION

TOP PRIZE WINNER:

[TINY TAP](#)

This Israeli company has developed a DIY app that lets you turn photos into educational games and books for kids.

2ND: [ZAPATALISM/LAVAMIND](#)

3RD: [BRIDGINGAPPS/EASTER SEALS](#)

4TH: [WEBTEAM CORPORATION](#)

5TH: [WOMENLEAD, INC.](#)



YAOPENG ZHOU

### HEALTHCARE

TOP PRIZE WINNER:

[SMART VISION LABS](#)

This firm has developed a way to check your vision anywhere, anytime in seconds using your smartphone.

2ND: [SERATIS](#)

3RD: [FREENOME](#)

4TH: [SOLAR EAR](#)

5TH: [FACTOR 14](#)



BILLY PARISH

### SUSTAINABILITY

TOP PRIZE WINNER:

[MOSAIC](#)

This California company has created a product that enables individuals to invest in community solar projects in developing countries through their mobile phones.

2ND: [GOOD360](#)

3RD: [BANDWAGON](#)

4TH: [SMARTSTER/BIGBELLY SOLAR](#)

5TH: [SEMIOS](#)

*“We are so inspired by these visionary people and their life-changing innovations. We can’t wait to see what they do next.”* —Lowell McAdam, Verizon Chairman & CEO



In 2014, we’re launching [Powerful Answers: The Series](#), a 10-part documentary series that tells the stories behind the innovations from all 15 award winners.

# OUR CORPORATE RESPONSIBILITY FRAMEWORK

We implement responsible business practices and focus on social issues that mirror our business priorities.

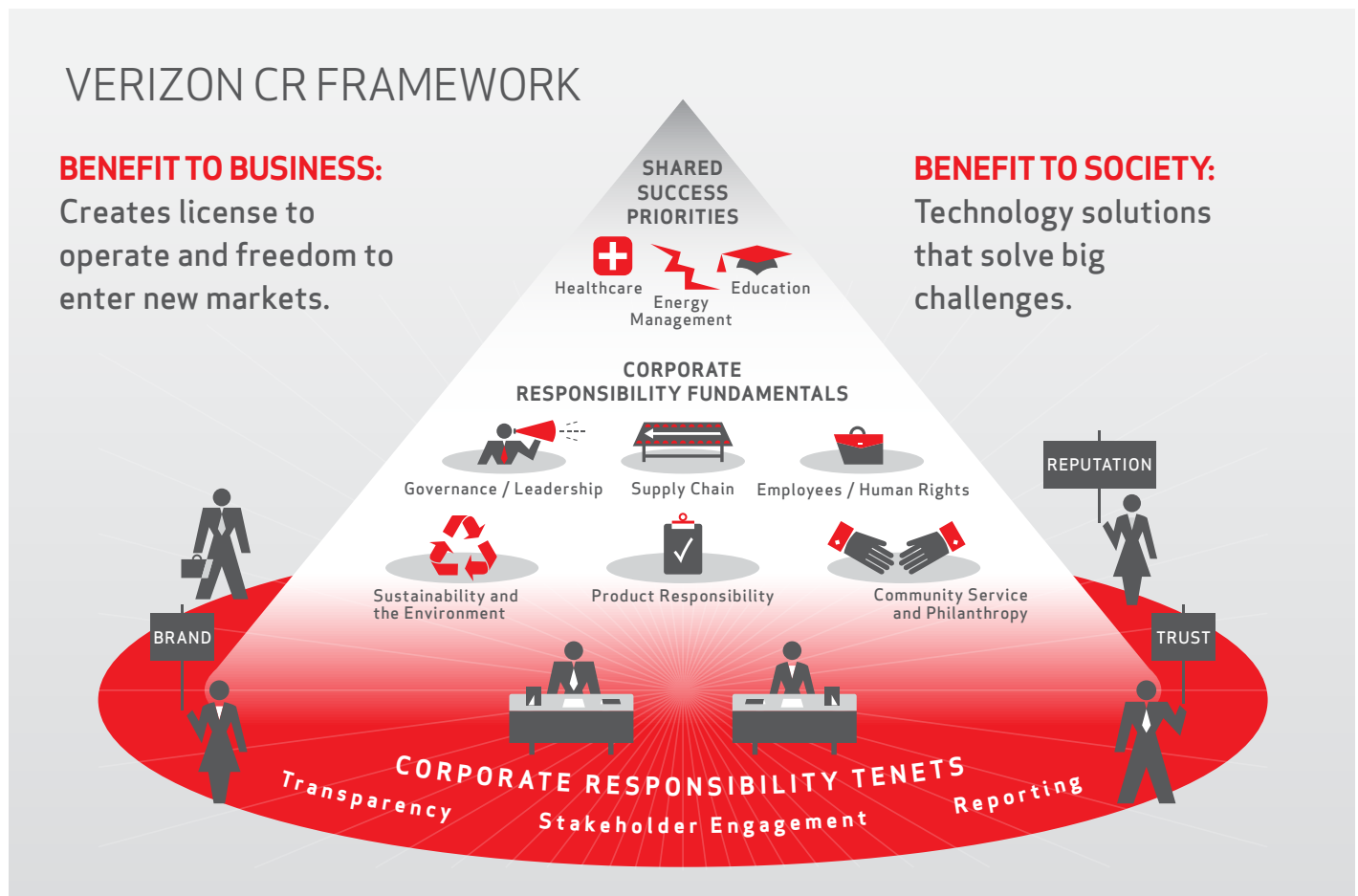
Some of the biggest opportunities for Verizon lie at the intersection of our empowering technology and society's deepest needs.

To leverage this natural connection, we have implemented a strategy over the years to:

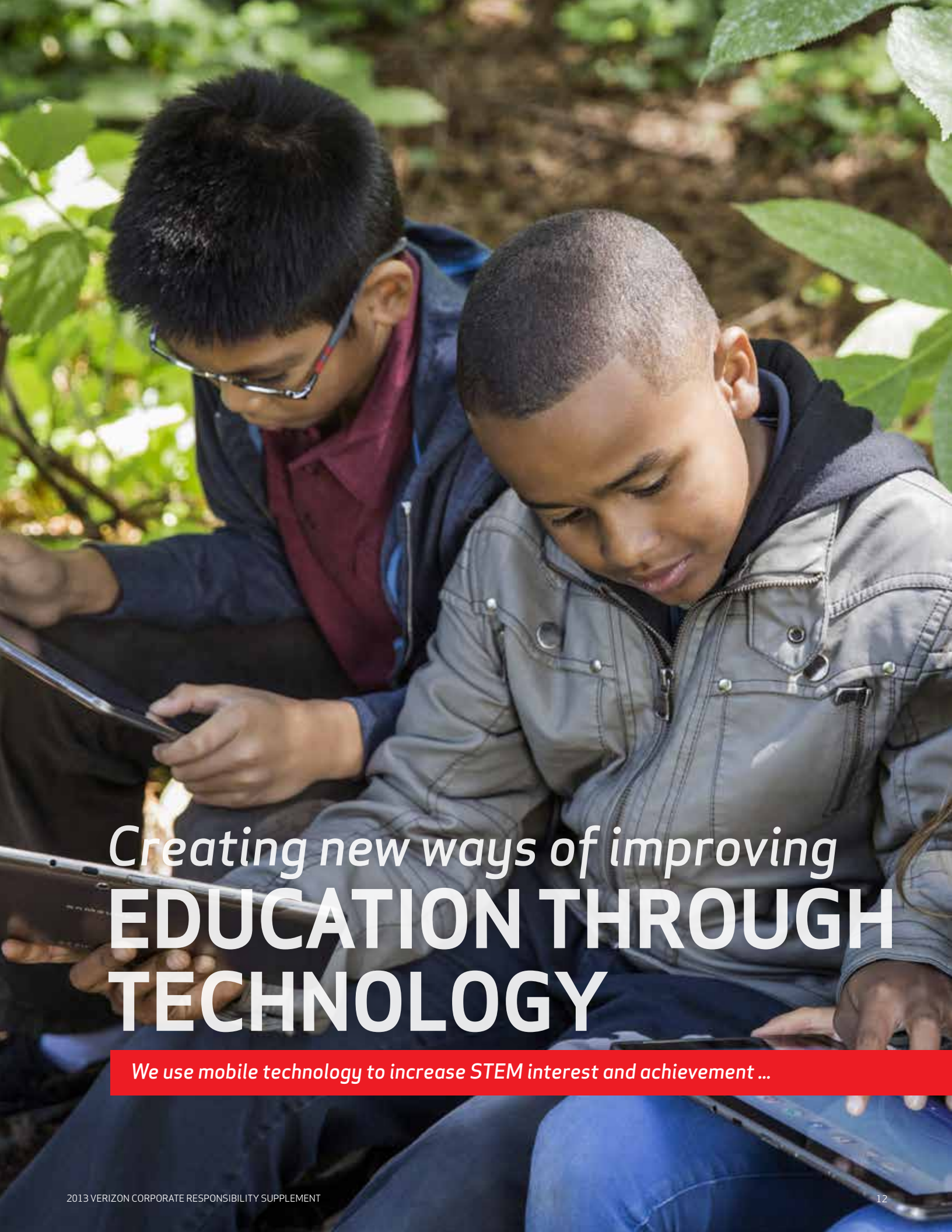
- Demonstrate the value of our innovative products to improve education, healthcare and energy;
- Minimize our environmental impact and focus on fundamentally responsible business practices; and
- Set goals, track progress and report on our performance.

In each part of this process, we emphasize transparency and a willingness to engage with stakeholders.

Sharing our success in this way helps us enhance our reputation and brand, which translates into the freedom to operate and enter new markets, as well as technology solutions that solve big challenges.







*Creating new ways of improving*  
**EDUCATION THROUGH  
TECHNOLOGY**

*We use mobile technology to increase STEM interest and achievement ...*

➤ Niemes Elementary School Principal Meg Jimenez has leveraged VILS training to immerse the California school in mobile technology. For back-to-school night, parents scanned these cubes with a mobile device to get progress reports on their children.



... by changing the way teachers teach and students learn.

**17%**  
PROJECTED  
GROWTH OF STEM  
OCCUPATIONS FROM  
2008 TO 2018

**9.8%**  
GROWTH FOR  
NON-STEM  
OCCUPATIONS

Source: <http://www.esa.doc.gov/Reports/stem-good-jobs-now-and-future>

## OUR FOCUS

- Leverage **mobile technology and teacher training** to increase student interest and achievement in STEM (science, technology, engineering and math).

## SOCIAL ISSUES WE'RE ADDRESSING

- Students not prepared for **college-level math and science**.
- Disadvantaged students most at risk for **college and career preparedness**.
- Disadvantaged students least prepared to fill **STEM jobs**, the growth rate of which is outpacing other job categories.



VILS teachers receive intensive on-site professional development and ongoing virtual training and mentorship over the course of two years. A survey of VILS teachers conducted in January 2013 showed that students' technology proficiency, engagement and academic achievement were steadily improving:

**59%**

OF VILS TEACHERS WERE USING MORE INDIVIDUALIZED INSTRUCTION

**52%**

OF STUDENTS EXHIBITED INCREASED PROFICIENCY WITH MOBILE TECHNOLOGIES

Source: Summary of Effects on STEM Teaching and Learning, Year 1 by ISTE, "VILS 2012-13 Summary."

## VERIZON INNOVATIVE LEARNING SCHOOLS

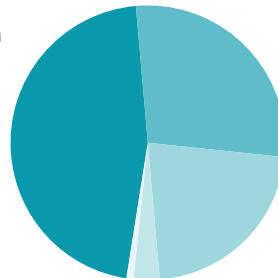
Many schools are receiving technology. The problem is that teachers are not always equipped to harness its potential. We are doing something to close this gap. In partnership with the International Society for Technology Education, teams of math and science teachers from [24 underserved schools around the country](#) are participating in intensive professional development to help them leverage mobile technology to improve student outcomes in STEM.

- On standardized math and science assessments, the average increase in scores for VILS schools was 4.63 percent, while the non-VILS comparison schools reported an average decrease of 4.18 percent.
- In assessment surveys\*, VILS students were more inclined than their non-VILS peers to attend college and more confident about wanting to major in a STEM field.
- VILS students also reported more positive views about math and science and more frequent use of various technology tools.

### Demographics

#### STUDENTS

- 46% White/Caucasian
- 28% Hispanic/Latin
- 22% Black/Afr.Amer.
- 3% Asian
- 1% Other



**63%**

OF STUDENTS ON FREE AND REDUCED LUNCH PROGRAMS

#### SCHOOLS

**46%**

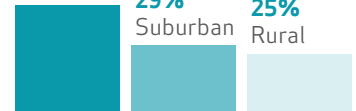
Urban

**29%**

Suburban

**25%**

Rural



➤ Students at Assabet Valley Regional Technical High School in Marlborough, MA, use their mobile technology as part of the Verizon Innovative Learning Schools program.

\*Evaluations conducted by International Society for Technology in Education (ISTE), "VILS 2012-13 Summary."



## Teaching tomorrow's teachers HOW TO USE TECHNOLOGY

*In 2013, the VILS program was extended into higher education.*

[Verizon teamed up with The UTeach Institute](#) to launch a program that is helping tomorrow's educators effectively use mobile technology to improve student learning and interest in STEM subjects.

The initiative is currently available to students enrolled in STEM teacher preparation programs at the **University of Kansas, University of Colorado-Boulder, University of Texas-Austin and University of Massachusetts-Lowell.**

Under the program, math and science majors pursuing a secondary teaching certificate through UTeach programs work with K-12 students, integrating mobile technologies into lessons. The new technology-infused curriculum greatly expands the resources and instructional tools available to teachers to engage students in relevant and exciting applications of math and science.

The UTeach Institute is a national organization devoted to improving the quality of STEM education in K-12 and boosting teacher preparedness.

WE WILL EXPAND  
OUR PARTNERSHIP  
WITH UTEACH TO  
**4 MORE**  
**UNIVERSITIES**  
FOR 2014-2015





1 IN 3

STUDENTS IMPROVED  
IN ACADEMIC  
ACHIEVEMENT



4 IN 10

INCREASED THEIR  
PROBLEM-SOLVING  
ABILITIES

Source: Summary of Effects on  
STEM Teaching and Learning,  
Year 1 by ISTE, "VILS 2012-13  
Summary."

EDUCATION IN ACTION

## Engaging students IN A NEW WAY

Administrators at Niemes Elementary in Artesia, CA, decided last year to provide a wireless tablet for every child. But they had the foresight to realize that for their technology initiative to succeed, it was critically important to prepare the teachers.

**Enter the Verizon Innovative Learning School (VILS) project.**

As part of our commitment to education in science, technology, engineering and mathematics (STEM), we awarded Niemes a two-year VILS grant to support teacher training in the use of mobile devices for education. Funding was used to support a Technology Coach and provide stipends to participating teachers.

The results already look promising. Last school year, 100 percent of teachers responding to a survey reported some positive effect on student behavior and attitudes. One in three students improved in academic achievement. Four in 10 increased their problem-solving abilities.



› Victor Zapata, a fifth-grader at Niemes Elementary, “can’t get enough of learning,” according to his mother, since Verizon began our education program at his school.

THE APP CHALLENGE  
WAS FEATURED IN

>258

## MEDIA OUTLETS

including the [TIME for Kids](#) September issue, which is distributed to more than 3.6 million students, [Mashable](#), the [Daily News](#), [ABC News](#) and the [MTV Act blog](#).

Visit the contest website to [learn more](#).

## VERIZON INNOVATIVE APP CHALLENGE

The app challenge is a national competition for middle and high school students designed to increase their interest and achievement in STEM by providing them with coding skills. Students design an original concept for a mobile app that addresses a need or problem in their school or community. Our app challenge partners are the Technology Student Association, the Massachusetts Institute of Technology Media Lab and Samsung.

### 2013 National Winners

#### APPS TO HELP STUDENTS STAY ON TRACK

[Quest Math](#) | [Bronx Academy Of Promise](#) | Bronx, NY

This app is designed to help students increase their speed in basic math computations, using a game based on Greek myths. It has various levels of increasing difficulty, and there are corresponding review tutorials.

[Voice Notes +](#) | [Emory H. Markle Intermediate School](#) | Hanover, PA

Students with disabilities or those who can't write fast enough can use this app to record lectures or notes as they read, organizing them for review.

[One | Place](#) | [Forney High School](#) | Forney, TX

This app provides a single location for students, administrators and community groups to receive information about a range of school activities.

[STEAMnet](#) | [Friends' Central School](#) | Wynnewood, PA

Students working on collaborative projects are able to share ideas via this app and get feedback from members of the group outside of the standard school day.

[Chester Study Buddy](#) | [South River High School](#) | Edgewater, MD

This planner app encourages students to set goals and develop work and study skills.



> The Bronx Academy of Promise team demonstrates their app at the 2013 Technology Student Association Conference.

**APPS TO HELP IN THE COMMUNITY**

**InvasE Erase** | Jefferson Township Middle School | Oak Ridge, NJ

This app helps identify invasive species of plants and animals.

**CaringHands** | Rock Canyon High School | Highlands Ranch, CO

Prospective volunteers can use this app to learn key details of a charity, read volunteers' ratings and reviews and use a search feature to find charities that fit their interests.

**Recycling Bin** | Stem Center Middle School | West Fargo, ND

This app provides information about locations of community recycling facilities and their hours of operation.

**APPS TO HELP MAKE LIFE SAFER, SIMPLER**

**Chow Checker** | Hampstead Academy | Hampstead, NH

People who have food allergies can use this app to determine if specific foods are safe for them to eat ([see page 19](#)).

**AgNote MAX** | Spalding Catholic High School | Granville, IA

Farmers can use this app to access key data and reports while in their fields or while away doing farm business. It provides a calendar, maps, field notes, weather conditions and cost data.

**APP CHALLENGE WINNERS WERE:**

**59%**

FEMALE

**60%**

MORE LIKELY TO PURSUE A STEM CAREER

**86%**

MORE INTERESTED IN TAKING FUTURE COMPUTER CLASSES

**PARTICIPATION HAS FAR EXCEEDED EXPECTATIONS:**

**90%**

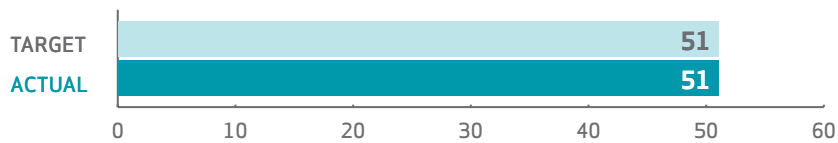
OF WINNING CONCEPTS PUBLISHED ON GOOGLE PLAY

**>5,000**

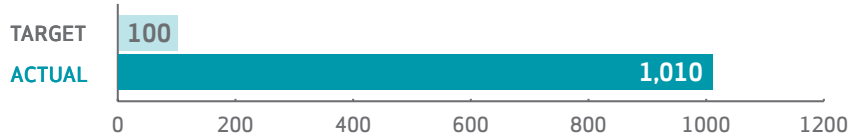
DOWNLOADS

Results

PARTICIPATING STATES & D.C.



PARTICIPATING TEAMS



PARTICIPATING STUDENTS



SUBMITTED CONCEPTS





The Hampstead Academy submitted a video pitch last school year for an app and got to work with the Massachusetts Institute of Technology Media Lab to turn it into a reality. [It is now available for download on Google Play.](#)

## EDUCATION IN ACTION | AS FEATURED ON ABC.COM

# Food allergy? Check out THE CHOW CHECKER

**When 13-year-old Samantha Hinton is unsure of the ingredients in a snack, she just doesn't eat it.**

That's because Samantha is among the growing population of food allergy sufferers in the United States, and she fears a bite containing peanuts could kill her. "I know it's deadly," she told ABC News. "And the side effects are just too scary."

But a team of eighth-graders at her New Hampshire school created a smartphone app that could make navigating the cafeteria a whole lot easier. The Hampstead Academy students took home the grand prize at Verizon's App Challenge with their idea for "Chow Checker," an app that identifies food allergens.

"Chow Checker" allows users to develop a profile and select up to 12 allergens. If they scan a food item or search for it in the app, and it contains something to which they're allergic, the app will let them know. The app uses food ingredient data from



› Alex Mielens and Ashvi Patel from the Hampstead Academy in New Hampshire with their "profoundly helpful" app that identifies food allergens.

Nutritionix, a company that provides daily updated data from grocery stores and restaurants. The database includes more than 300,000 food items and adds almost 1,000 more items each week.

Dr. Jonathan Field, a pediatric allergist with St. Luke's-Roosevelt Hospital Center in New York City, told ABC News the app could be "profoundly helpful" for those with food allergies.

—ABC News



**THINKFINITY BY  
THE NUMBERS**

**73,000**

COMMUNITY  
MEMBERS

**17**

MOBILE APP  
PARTNERS

**60+**

MOBILE LEARNING  
PROFESSIONAL  
DEVELOPMENT  
RESOURCES

**THINKFINITY ONLINE COMMUNITY & FREE CONTENT**

Since 2007, our award-winning [Thinkfinity.org](http://Thinkfinity.org) website has given teachers access to thousands of free, Common Core standards-aligned resources designed in partnership with the nation's leading education experts. Since launching Thinkfinity, Verizon has invested more than \$50 million in the program and received with more than 41 million visits.

In order to give educators free access to the documented mobile learning strategies and best practices that have produced meaningful results in our VILS programs, we are transitioning support for Thinkfinity in 2014 toward a professional development platform focused on integrating mobile devices in the classroom. Thinkfinity users will continue to have access to all the content currently available directly through the Thinkfinity partner websites.



› Teachers enjoy a laugh while learning to integrate mobile technology in their classrooms.

## GLOBAL EDUCATION INITIATIVES

Our international philanthropic activities consist of broad corporate programs and local employee-driven initiatives that address education issues in countries where the company has a key presence.

### OUR FOCUS

- Provide access to higher education for marginalized youth; improve STEM career access for girls (Europe).
- Provide access to STEM education to vulnerable populations (Asia Pacific region, Latin America).



› One of our global education programs is training teachers to deliver STEM education to girls in India, including at the Government Girls’ High School in Hyderabad.

GLOBAL EDUCATION PROGRAMS	
PARTNERS, CORPORATE PROGRAMS	SCOPE
<p><b>World Education</b> France, Germany, Netherlands, U.K.</p>	<ul style="list-style-type: none"> <li>• A partnership focused on enhancing STEM teaching in public high schools</li> <li>• Reaching 800 teachers</li> </ul>
<p><b>Institute of International Education</b> Chennai and Hyderabad, India</p>	<ul style="list-style-type: none"> <li>• A training program to help teachers deliver STEM education to 200 girls in 10 schools in Chennai and Hyderabad</li> <li>• The program includes workshops for parents to address cultural barriers around girls/ education/STEM</li> <li>• Training will help boost number of girls taking and passing entrance exams for Indian Institute of Technology</li> </ul>
EMPLOYEE-DRIVEN LOCAL PROGRAMS (partial list)	SCOPE
<p><b>Shanti Bhavan Children’s Project</b> Bangalore, India</p>	<ul style="list-style-type: none"> <li>• Employees are helping improve the technology infrastructure so students have more access to digital materials</li> <li>• Employees are also engaged in establishing an associated STEM program</li> </ul>
<p><b>Passeport Avenir Group</b> France</p>	<ul style="list-style-type: none"> <li>• To help prepare students for higher education, employees from our Paris office are joining other corporate volunteers to mentor at-risk youth. Target: 4,200 students</li> </ul>



*Enabling innovation in*  
**HEALTHCARE WITH  
TECHNOLOGY**

*Connecting people to new digital healthcare solutions ...*





... means increased access to care.

By partnering with private and public health-related organizations throughout the nation, Verizon is leveraging technology to build healthier communities.

**75%**

OF HEALTHCARE COSTS IN THE U.S. ARE DUE TO CHRONIC DISEASE\*

## OUR FOCUS

- **Deploy technology** so children, women and seniors can more easily access care, particularly those in underserved areas or whose socio-economic condition or age makes getting care difficult.
- **Create patient-centered care models** that pair technology with targeted disease education programs and deliver health education to those who need it the most.
- **Enable better outcomes** for [chronic disease](#).

## SOCIAL ISSUES WE'RE ADDRESSING

- **Healthcare costs** in the U.S. are \$2.8 trillion annually.\*\*
- **Chronic conditions** affect nearly half of all Americans and account for seven out of every 10 U.S. deaths.^
- **Populations with low socioeconomic levels** are three times more likely to be affected by a chronic illness.†

\* <http://www.cdc.gov/chronicdisease/index.htm>

\*\* <http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/Downloads/tables.pdf>

^ <http://www.cdc.gov/chronicdisease/overview/index.htm>

† <http://www.medscape.com/viewarticle/472495>



Initial Projections from Children's Health Fund on how technology will improve healthcare delivery\*:

Efficient Immunizations:



SAVED PER IMMUNIZATION

More Effective Referrals:



SAVED PER REFERRAL

Faster Lab Orders:



SAVED PER LAB ORDER

Estimated potential net savings per year on administrative tasks for medical staff:

**4K HOURS**

## CONNECTING KIDS TO QUALITY CARE

The pediatric units of Children's Health Fund — the famous big blue buses — are now “mobile” in more ways than one.

By equipping Children's Health Fund buses in several key cities with 4G LTE wireless technology and enabling health IT solutions, Verizon is making it possible for the group's medical staff to provide more immediate care to patients.

Administrative tasks that typically take hours or days can be accomplished immediately using this technology, which can have significant benefits.

For instance, the medical staff in these locations now has real-time connections to immunization records that are required by schools but often hard for parents to produce, especially if they are living in a shelter. The technology also supports telehealth services like access to specialty physicians, as well as texting programs that focus on education and disease management.

This initiative is under way in Miami, New York City, San Francisco, Phoenix, Detroit and Dallas. Children's Health Fund estimates that efficiencies created by the program will save nearly 4,000 hours of administrative work each year at these locations combined, freeing up significantly more time for patient care.



› Lisa Gwynn, M.D., (center) medical director of Children's Health Fund South Florida, uses our health IT to connect a patient to specialists at the University of Miami Miller School of Medicine.

\* Projections submitted by Children's Health Fund (October 18, 2013)

“We had recently lost touch with a patient who had moved out of the shelter system. We didn’t have a forwarding address for him, and his phone wouldn’t record messages.

***I’m so glad that he had enrolled in our health outreach texting program. What was really cool was that he got a text from us. And, then he called for his lab results. It works!”***

—Susan Spalding, M.D.  
Medical Director  
Children’s Health Fund Dallas

## HEALTHCARE IN ACTION

# Reaching more PEOPLE WHO NEED HELP

Nurse Practitioner Wendy Quinones is part of Children’s Health Fund group serving low-income families in New York City. Her group provides disadvantaged children with preventive care, as well as diagnosis and management of chronic diseases such as asthma and obesity. Families also have access to oral and mental health services. And in 2013, our cutting-edge technology helped Quinones and her colleagues reach more people by upgrading the group’s electronic health records system.

“It has been invaluable to have this level of connectivity, to be able to see a patient’s full record,” said Quinones. “Sometimes we encounter patients for the first time, but they’re actually not new to the system. Now we don’t have to build a record from scratch. The effort involved in piecing one together is time-consuming, costly and requires a lot of phone calls back and forth to the main office.”



› Our health IT solutions are providing “invaluable” connectivity for medical personnel to help families at the Children’s Health Fund center in the South Bronx.

For all the patients and providers in the program, the technology makes it all seamless. “Whether we see a child in the mobile clinic or at the clinic in the shelter, the records can move along, be available and be updated more quickly and much more efficiently,” said Quinones.

## NEW DISCOVERIES IN WOMEN'S HEALTH

Domestic violence is a pervasive social problem and, research now shows, has disturbing implications for women's health.

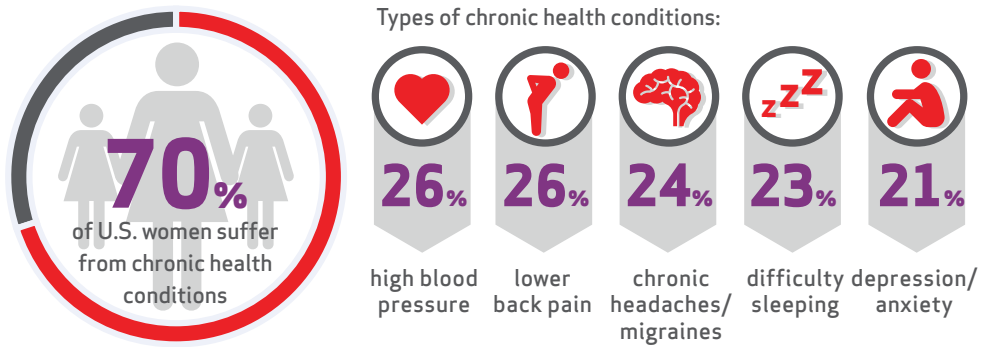
A survey commissioned by Verizon and MORE magazine found that 70 percent of adult American women over the age of 21 have a chronic health condition. That number rises to 81 percent among women who have experienced any form of domestic violence.

This is especially serious given that 44 percent of the approximately 1,000 women surveyed said they experienced a form of domestic violence, including physical, emotional, sexual or economic abuse.

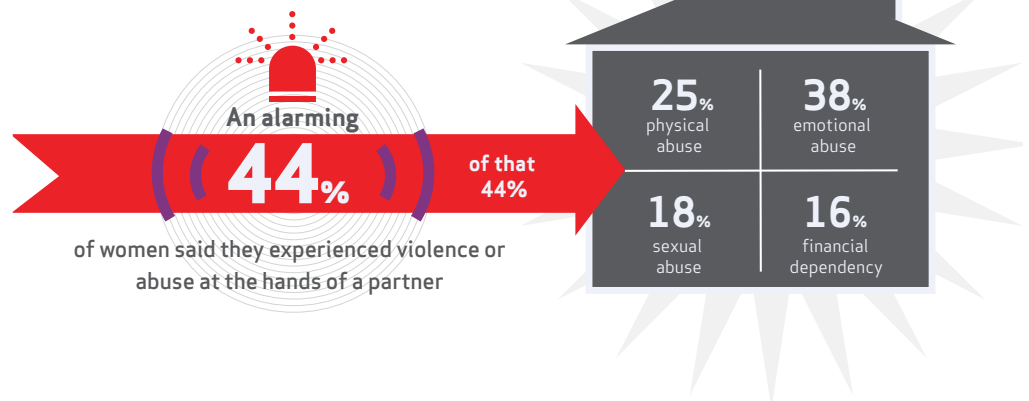
Despite the high correlation between chronic health conditions and experiencing domestic violence, only 6 percent of women surveyed believe their doctor or nurse has ever made a connection between the two. Three-fourths of women say they have never been asked about domestic violence during a medical exam. Among women aged 45 and older, 85 percent have never been screened.

### The link between chronic health conditions and domestic violence

#### CHRONIC CONDITIONS ARE WIDESPREAD IN WOMEN:



#### SO IS DOMESTIC VIOLENCE:





More information on the connection between domestic violence and chronic health conditions, resources for healthcare providers and survivors, and ways to advocate for increased domestic violence screenings among health care professionals can be found at <http://vz.to/chronichealthanddv>.

At Verizon, we’re applying our resources to address this pressing issue immediately while also identifying solutions for the future.

- In November 2012, we held a [briefing](#) on Capitol Hill in conjunction with the Congressional Caucus for Women’s Issues to announce the implications of the research and address solutions.
- An outreach effort we’re funding via the Robert Wood Johnson University Hospital in New Jersey is arming doctors and nurses with [strong domestic violence screening practices](#).
- We’ve joined a nationwide network of experts from a range of disciplines to identify how technology can boost domestic violence intervention and improve chronic health conditions.

## STOPPING DOMESTIC VIOLENCE

Since 2000, Verizon has provided more than \$52 million in grants to domestic violence prevention organizations and shelters. We invest in groups that provide domestic violence prevention education, care for victims and resources that empower victims.

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 preventing dating violence.

We also leverage our wireless operations in this effort via [HopeLine](#), a program that turns no-longer-used cell phones into critical lifelines of support for domestic violence victims and survivors. Since 2011, we have distributed more than 86,900 HopeLine phones with wireless service for use by victims, survivors and organizations.

# 29,900

PHONES DONATED IN 2013 TO DOMESTIC VIOLENCE PREVENTION ORGANIZATIONS

HOPELINE RESULTS 2011-2013			
	2011	2012	2013
<b>Phones collected</b>	1.04 Million	1.04 Million	<b>804,000</b>
<b>Phones refurbished</b>	930,000	634,000	<b>499,000</b>
<b>Phones recycled</b>	113,000	407,000	<b>305,000</b>
<b>Phones donated</b> to domestic violence prevention orgs.	29,000	28,000	<b>29,900</b>
<b>Cash donated</b> from HopeLine funds	\$4.2 Million	\$3.77 Million	<b>\$3.34 Million</b>

The variance between number of phones collected in 2012 and 2013 is due to a change in vendor for this program at the end of 2013.

## EMPOWERING WOMEN TO MANAGE THEIR CARE

Women are frequently diagnosed with chronic diseases later than men and experience higher fatality rates, due in part to a lack of access to regular care.

That's why we support partnerships that highlight the role technology can play in increasing access to care and aiding in chronic disease management for underserved women. We are partnering with academic health centers at Johns Hopkins and Emory Universities to address both of these challenges.

Clinicians and patients are working together remotely via mobile technology with the goal of increasing adherence to care plans and self-management of chronic conditions.



Seniors with diabetes will no longer need to visit the South Boston Community Health Center to have their glucose level checked.

## EXTENDING INDEPENDENT LIVING FOR SENIORS

We're launching a new program in 2014 that will use remote monitoring devices and telemedicine solutions to help underserved seniors with diabetes or heart and lung disease to age in place longer.

One of the first to partner with us on this health technology program is the South Boston Community Health Center in Massachusetts.

Using tablets, cell phones and medical devices wirelessly connected to the health center, seniors will be able to perform a number of health monitoring functions themselves at home. The data from these activities will be transmitted automatically to the center's healthcare professionals, who will also use videoconferencing to provide even further engagement with the patients.

The program will begin with 60 seniors at the South Boston Center who are suffering with diabetes or heart and lung disease.

Once the program is implemented, those seniors with diabetes will no longer need to visit the center to have their glucose level checked. They'll use a glucometer and adapter at home. Obese patients will not need to visit the center to weigh in; they'll have an auditory scale at home. Patients with respiratory disorders will be able to test their respiratory function with a pulse oximeter. Patients do not even need to push a button to transmit the data.

The technology will make it easier for seniors who have had to get a ride to their appointments, or take public transportation, to obtain medical care. The technology does not eliminate the need for checkups, but it means fewer appointments are needed.



## HEALTHCARE IN ACTION

## From child's play to GAME CHANGER

We are funding the expansion of a [first-of-its-kind treatment-monitoring system](#) that uses our mobile technology to improve care for tuberculosis patients.

The system is called Video Directly Observed Therapy, or VDOT, and is the brainchild of Dr. Richard Garfein and his team at the Department of Medicine at the University of California-San Diego.

VDOT uses our cloud service and smartphones to enable TB patients to video themselves taking their daily medications and send the videos to health departments where staff can remotely monitor and document each dose of medication.



› VDOT enables patients to take video of themselves taking their daily TB medications.

# \$2,800

WHAT THE VDOT PROGRAM CAN SAVE HEALTH DEPARTMENTS PER PATIENT EACH YEAR BY SAVING ON IN-HOME VISITS

# 66%

POTENTIAL REDUCTION IN COSTS

We believe powering VDOT with our mobile technology will improve the likelihood that patients will regularly take their medications — a critical component of successful treatment. The system also provides a degree of monitoring that is much less intrusive than an in-home visit.

The system stands to be far more cost effective than traditional, in-person monitoring procedures. Analysis by UC San Diego researcher Dr. Jose Burgos showed the program can save health departments \$2,800 per patient each year — a 66 percent reduction in costs.

The San Diego County TB Control Program is already using VDOT, and health departments in San Francisco and New York City will soon begin using the new system.

[Garfein's pioneering work was honored](#) recently by *Connected World Magazine*.

GLOBAL HEALTHCARE PROGRAMS	
PARTNERS, STRATEGIC PROGRAMS	SCOPE
<b>University of Virginia / Swinfen Charitable Trust</b>	<ul style="list-style-type: none"> <li>Medical personnel around the world are connected via a Verizon cloud-enabled telemedicine network</li> </ul>
<b>Children’s National Medical Center</b> Washington, DC / University of Minas Gerais, Brazil	<ul style="list-style-type: none"> <li>Doctors at Children’s National Medical Center use Open Video technology to train community health workers and cardiologists in Brazil to perform and interpret echocardiograms and screen children for rheumatic heart disease</li> <li>File transfers, storage and databases are hosted in the Verizon cloud</li> </ul>
EMPLOYEE-DRIVEN LOCAL PROGRAMS (partial list)	SCOPE
<b>Australian Red Cross</b> “Healthy Baby, Healthy Community” Project	<ul style="list-style-type: none"> <li>Employees from Verizon affiliates in several locations in Australia will assist community health workers to educate 2,500 women, young mothers, parents and families on ways to significantly reduce anemia among children</li> </ul>
<b>Path Finders Group</b> “Healthy Birth, Healthy Baby” Project, Hong Kong	<ul style="list-style-type: none"> <li>Verizon employees are assembling “Welcome Baby” packs at the medical facility in Hong Kong that will provide women migrating from the Philippines with prenatal and postnatal care education</li> </ul>

## Enabling global health connections

### [Our partnership with the University of Virginia Telemedicine](#)

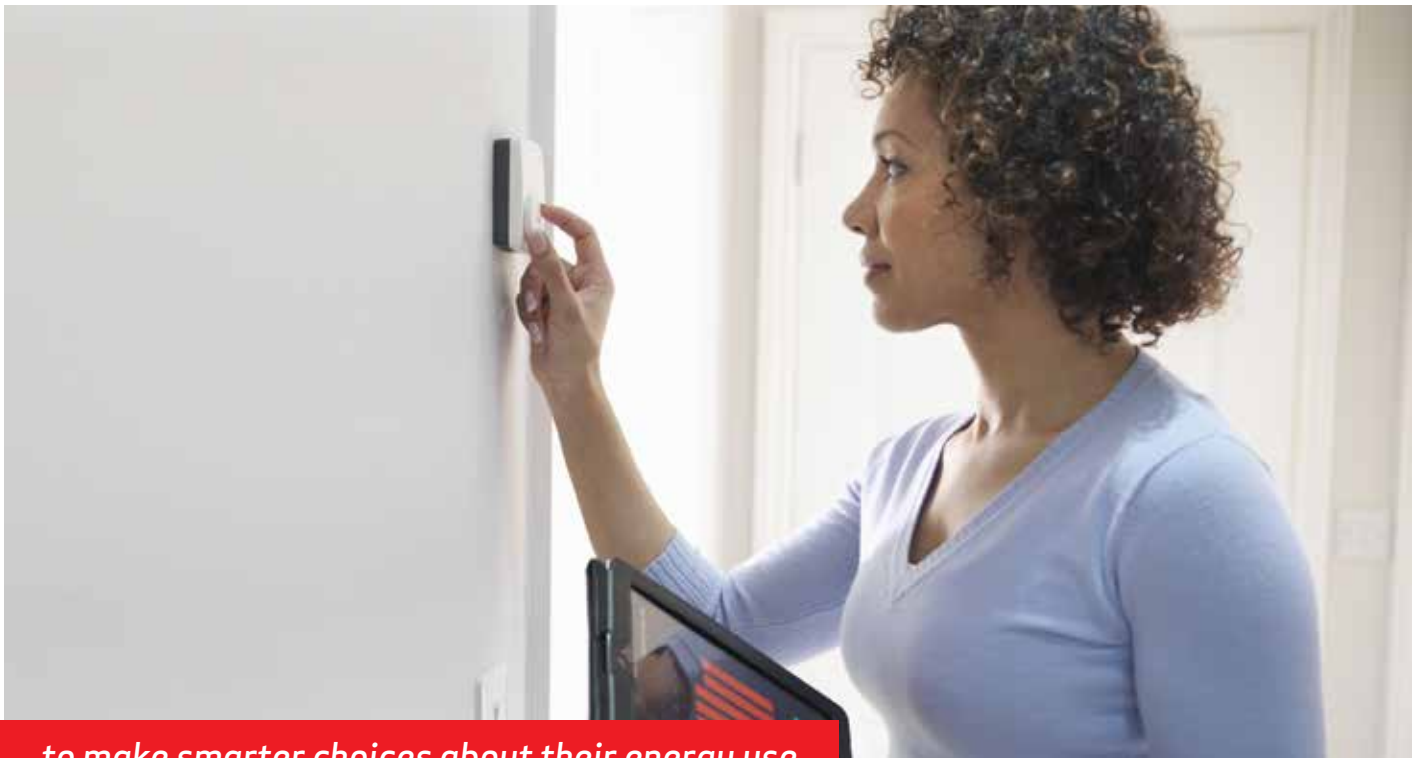
program has expanded to include the U.K.-based **Swinfen Charitable Trust**. Swinfen operates a global telemedicine network that uses our cloud technology to connect approximately 500 specialist physicians from leading healthcare centers with doctors and nurses practicing in 65 emerging countries where resources are vastly limited.





*Applying innovative  
technology to*  
**ENERGY  
MANAGEMENT**

*We use innovative technology solutions to empower underserved consumers ...*



*... to make smarter choices about their energy use.*

Technology is changing our approach to creating a sustainable society. Some changes are obvious, such as digital media replacing books and video conferencing reducing the need for business travel. But the real transformation is just emerging as mobile and Internet technologies — like cloud storage, machine-to-machine telematics, and wireless — are incorporated into the energy grid.

The changeover stands to be revolutionary, as our energy grids are converted from a one-way system into a dynamic information processing ecosystem with the potential to double the nation's energy efficiency over the next 30 years.

## OUR FOCUS

- **Use technology-enabled solutions** to empower underserved populations to better manage their energy consumption and save money.
- **Build awareness** of how to promote smarter energy consumption.

## SOCIAL ISSUES WE'RE ADDRESSING

- **20 percent of U.S. households are low-income** (less than \$20,000/year). For these households, energy costs as a percentage of income are twice that of more affluent households, 6 percent vs. 3 percent\*.
- **Diverse populations and seniors are disproportionately represented** in low-income households and are thus more vulnerable to the pressures of high energy costs.

\* Source: 2010 Census data, April 2013





**140**  
**HOUSEHOLDS**  
HAVE BEEN  
OUTFITTED WITH A  
COMPLETE ENERGY  
MONITORING  
SYSTEM FOR THE  
RESEARCH TRIAL

## BETTER HOME ENERGY USE

We've teamed up with [Pecan Street Inc.](#), a Texas-based smart grid/consumer energy research group, to launch a home energy trial that will empower consumers to make smarter choices about their energy use.

The trial — the Smart Solutions for Affordable Housing Program — involves 140 households in Austin, TX. Participants have been outfitted with a complete energy monitoring system, including smart thermostats, 4G LTE routers, tablets and a mobile app that provides real-time energy use data.

The research portion of the project will examine the drivers of energy use in apartments and the effectiveness of real-time feedback of energy data. It will also examine the impact of remotely controlled smart thermostats on participants' energy use. Initial results on the participants' energy usage are expected in mid-2014.

## GeSI SMARTer2020

Verizon holds a seat on the board of directors for the [Global e-Sustainability Initiative](#), a leading source of information, resources and best practices for achieving sustainability through information and communications technology (ICT).

ICT provides a solution to one of the fundamental challenges of this century: reducing emissions while maintaining economic growth and improving quality of life. GeSI's [SMARTer2020](#) Report illustrates how increased use of ICT may reduce projected 2020 global greenhouse gas (GHG) emissions by 16.5 percent — amounting to \$1.9 trillion in gross energy and fuel savings and a reduction of 9.1 gigatons in carbon dioxide equivalent (GtCO<sub>2</sub>e).

### 2020 Projections with Increased Use of ICT



[GeSI's SMARTer 2020 Report](#) illustrates how increased use of ICT may reduce projected 2020 global greenhouse gas (GHG) emissions.

In 2013, GeSI partnered with the United Nations Framework Convention on Climate Change (UNFCCC) to add a new pillar to the UNFCCC's Momentum for Change program focusing on the role that ICT solutions play in addressing climate change.

GeSI is making a three-year investment focused on [mitigating climate change via ICT initiatives](#). The program will recognize ICT initiatives around the world that help promote energy efficiency and greenhouse gas emission reduction.








## FINDING NEW SOLUTIONS TO OUR ENVIRONMENTAL CHALLENGES

A project we commissioned with Accenture could provide the inspiration to jumpstart a new discussion on how broadband and mobile technologies can solve environmental challenges and lead the way to a less carbon-intensive society.

The research centers on the premise that the mobile and broadband services we provide our customers enable them to significantly reduce CO<sub>2</sub> emissions. This premise was a key point in the GeSI SMARTer2020 report ([see page 33](#)), which outlined how information communications technology can reduce CO<sub>2</sub> emissions through smart grid, smart building, smart transportation and travel substitution services.

We asked Accenture to quantify the CO<sub>2</sub> reduction value that our solutions enabled our customers to achieve in 2013 by applying the GeSI SMARTer2020 approach. The chart below shows the results in comparison to the U.S. carbon footprint.

SUMMARY OF 2013 CO <sub>2</sub> REDUCTION ENABLED BY VERIZON SOLUTIONS				
BENEFIT CATEGORY	SOLUTION	METRIC	2013 CO <sub>2</sub> REDUCTION (Metric Tons)	
 TRAVEL SUBSTITUTION	<b>Telecommuting</b>	# of miles reduced (avoided gallons of gas consumed)	Minimum	Maximum
			8.33 M	11.67 M
 TRANSPORTATION	<b>Telematics</b> <i>(Networkfleet, Trimble, Other)</i>	# of miles reduced (avoided gallons of gas consumed)	Minimum	Maximum
			0.72 M	.90 M
 BUILDINGS	<b>Intelligent Building Management</b>	# of kWh's reduced	Minimum	Maximum
			0.003 M	0.011 M
 POWER GRID	<b>Smart Meters &amp; Demand Response</b>	# of kWh's reduced (reduced T&D losses, lower peak demand & energy efficiency)	Minimum	Maximum
			3.19 M	3.46 M
<b>TOTAL GROSS 2013 CO<sub>2</sub> REDUCTION ENABLED BY VERIZON</b>			<b>12.25 M — 16.03 M</b>	
<b>% OF TOTAL U.S. ANNUAL CARBON EMISSIONS</b>			<b>0.23% — 0.30%</b>	



THE CO<sub>2</sub> REDUCED IS EQUIVALENT TO THE ANNUAL GREENHOUSE GAS EMISSIONS FROM APPROXIMATELY 3 MILLION CARS

We consider this a conservative estimate. Our hypothesis is that our services enable a significantly higher level of CO<sub>2</sub> reduction. We are encouraged by the results of this initial assessment and we intend to refine our data gathering process and improve our reporting in the future.

As a practical example of how our services are reducing CO<sub>2</sub> emissions and solving environmental challenges, our telematics product — [Networkfleet](#) — has proven to significantly improve operating efficiency for fleet operations. (See examples below.)

Information gathered from vehicles via Networkfleet includes idle time, speeds, stops and starts, stop count and duration, fuel usage, carbon emissions and fault codes. The data is then transmitted wirelessly to desktops, notebooks or smartphones.

Armed with such data, fleet managers can streamline routing, promote fuel-efficient — and safe — driving practices, improve vehicle maintenance, avoid breakdowns and track metrics.



## Networkfleet Success Stories

- [The City of Ventura](#), CA, achieved the city's goal of reducing overall fuel use by 10 percent.
- [Campbell Oil](#) was able to increase its on-time deliveries, improve driver safety and save significantly on fuel costs.
- [Roto-Rooter](#) franchisee Hoffman Southwest recovered stolen vehicles, increased revenue through saved labor, reduced vehicle emissions and increased service calls.

&gt;300

COMPANIES NOW  
PARTICIPATING  
IN THE VERIZON  
INNOVATION  
PROGRAM

## VERIZON INNOVATION PROGRAM

The Verizon Innovation Program — based at our Innovation Centers in Boston and San Francisco — serves as an incubator for new, nontraditional connected solutions that leverage our 4G LTE network.

The roster of companies participating in the program continues to grow, with 65 products now commercially available in the marketplace. Several of the participating firms have commercialized products that directly align with our larger mission to positively impact the environment.

- **BigBelly Solar** delivers a line of smart trash and recycling receptacles that leverage Verizon connectivity to improve the often inefficient process of waste collection. The smart bins, which use renewable solar energy and machine-to-machine interfaces, reduced operating costs by as much as 80 percent, enabling the firm to establish the first, widespread public space recycling programs in Philadelphia, New York and Boston.



> BigBelly Solar trash compactors help municipalities reduce costs and track waste and recycling through wireless technology.

- **ThinkEco** worked with Verizon to advance development of its cloud-based, smart AC platform, which uses a combination of connected hardware and machine-to-machine software to manage central air conditioners and dehumidifiers. The platform enables electricity conservation on a massive scale. A rollout of ThinkEco last summer in New York City achieved a 22 percent reduction in energy usage from air conditioning units.





*Corporate responsibility*  
**FUNDAMENTALS**

*Operating a responsible and ethical business*



# GOVERNANCE AND LEADERSHIP



## VERIZON CREDO

**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**

**“We believe integrity is at the core of who we are.”**

—Verizon Credo

## ETHICS AND COMPLIANCE

Our commitment to operate a responsible and ethical business starts with the Verizon Credo. “We believe integrity is at the core of who we are,” is a principle tenet in our Credo. We know that to succeed in today’s global market, our brand must stand for integrity, trust and the highest ethical standards.

We live up to these ideals through a comprehensive ethics and compliance program that is built on our Verizon Code of Conduct. The program provides ongoing educational communications and mandatory training requirements and readily accessible tools through which all employees are encouraged to raise questions, report concerns and get information about ethics issues, policies, procedures and applicable laws.

We have implemented a robust lineup of resources to operationalize our commitment, including:

- **The VZ Ethics and EEO GuideLine**, which is available 24 hours a day at [800-856-1885](tel:800-856-1885) (U.S.), (+) [800-0-624-0007](tel:800-0-624-0007) (International) or online at [www.verizonguideline.com](http://www.verizonguideline.com) and the Verizon Wireless Compliance Guideline available 24 hours a day at [800-488-7900](tel:800-488-7900) or online at [www.verizonwirelessguideline.com](http://www.verizonwirelessguideline.com).
- **A Security Control Center** operated by Verizon Security, which employees can reach 24 hours a day ([800-997-3287](tel:800-997-3287)) to report or inquire about issues ranging from international cybersecurity to legal compliance.
- **A reporting/inquiry channel** for accounting matters managed by the Verizon Internal Audit group at [accountingcomplaints@verizon.com](mailto: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](tel:800-386-9639) and Wireless, [800-488-7900](tel:800-488-7900)).

Protecting privacy is one of our highest priorities. We require all management employees to complete online training that reviews how to safeguard privacy and Verizon confidential and sensitive information.

We also maintain a zero tolerance policy for unethical business practices such as bribery. Verizon instructs employees to avoid even the appearance of improper influence. Anti-corruption training has been implemented to provide guidance and practical examples to help employees understand and comply with various anti-bribery laws, including the U.K. Bribery Act and the U.S. Foreign Corrupt Practices Act.

## ENSURING ACCOUNTABILITY

The Verizon Leadership Committee manages corporate responsibility activities across the company.

The committee establishes benchmarks and goals, assigns and enforces accountability and tracks results for corporate responsibility initiatives. The committee, which is made up of Verizon senior executives from various operating units and staff groups, reports directly to the company's chairman and chief executive officer.

Corporate responsibility activities are overseen by the Corporate Governance and Policy Committee of the Verizon Board of Directors.

***It is imperative that we conduct business responsibly and ethically wherever we operate.***

## CODE OF CONDUCT AND TRAINING

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. We have an opportunity through our actions and the services we provide to positively impact the communities and customers we serve. We can influence how business is conducted in our evolving global economy.

To ensure this level of integrity and responsible behavior, all employees are required to adhere to the [Verizon Code of Conduct](#). It provides guidelines on such matters as 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.

Relationships with our suppliers are based on the highest standards of ethical conduct, and our [Supplier Code of Conduct](#) outlines the company's expectations of our vendors to conduct business with integrity and respect.

We administer the Conflict of Interest Questionnaire (COIQ) to our leadership team and our Supply Chain Services organization. The questionnaire addresses all identified actual or potential business conflicts and is completed by 100 percent of our leadership team to ensure we conduct business with integrity.

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.

In June 2013, minor adjustments were made to various related Verizon documents to ensure consistency and alignment, foster greater employee understanding and strengthen our Human Rights Statement.

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.

Opinions and feedback from people outside our business are essential because they allow us to make business decisions informed “from the outside in.”

## STAKEHOLDER ENGAGEMENT

We listen to and talk with a wide range of people — consumers, seniors, educators, elected officials, law enforcement, minorities, rural constituents, veterans and others — who are important to our business.

Our long-standing Consumer Advisory Board, which consists of leading public interest advocates from across the country, meets two to three times a year and delivers an unfiltered view of business and social issues. Their opinions and advice 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 further expanded our participation in social media channels to include Twitter.

As part of our stakeholder outreach, we use our Consumer Roundtable to educate consumers on our strategies and to solicit their recommendations. All of these forums provide us with valuable intelligence that helps us improve the effectiveness of the solutions we offer our customers and measure the environmental performance of our business.

We’re also mindful that, because of our scope and scale, our voice can be helpful on a range of social issues that are important to our stakeholders. For instance, Verizon has publicly advocated this year on immigration reform legislation, the U.N. Convention on the Rights of Persons with Disabilities, phone reform in prison and gay marriage.

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## POLITICAL CONTRIBUTIONS

We advocate public policies that benefit our customers and our employees, and enable us to compete fairly and freely in the marketplace. We post all our political contributions for public view.

Verizon is affected by a wide variety of government policies — from telecommunications regulation to taxation to healthcare and more — that affect the business climate in which we operate.

Political contributions are one way we support the democratic electoral process and participate in the policy dialogue. Our employees have established political action committees (PACs) at the federal level and in 19 states. These PACs allow employees to pool their resources to support candidates for office who generally support the public policies our employees advocate.

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. In addition, Verizon posts a report of our political contributions twice a year on our public website. 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.

Read our latest [Political Contributions Report](#).



**Protecting our customers' privacy is a bedrock commitment.**

## PRIVACY

Verizon requires all employees, partners and suppliers to protect the privacy of information about our customers.

### Our Privacy Approach

- 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 uses of information with which they are comfortable.
- We are transparent in describing to our customers how their information is used, and we give customers the opportunity to choose whether certain information uses and sharing are 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 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. We also strive to present our practices in a way that makes our policy easy to read.

In accordance with our privacy policy, Verizon provides notice about new information collection and use practices and explains to customers their choices about these uses.

In addition, in January 2014 we launched an online [Transparency Report](#) that provides data on the number of law enforcement requests for consumer information that Verizon received in 2013 in the U.S. and other countries where we do business.

Protecting our customers' privacy is a commitment at Verizon. While we have a legal obligation to provide customer information to law enforcement in response to lawful demands, we take seriously our duty to provide such information only when authorized by law. Our dedicated teams carefully review each demand and reject those that fail to comply with the law. If a demand is overly broad or vague, we will not disclose any information in response or will work to narrow the scope of the information we produce. Some demands seek information that we simply do not have; accordingly, we produce no information at all or only some of the information sought by those demands from law enforcement.

# PRODUCT RESPONSIBILITY



We are committed to providing products and services that are accessible and safe for a broad range of customers, including young people, individuals with disabilities and seniors.

To guide us in these efforts, we embraced a set of Universal Design Principles in 1987 that are now an integral part of the product design process throughout Verizon (see below). We employ these principles Verizon-wide in our relationships with customers, employees, shareowners and suppliers.

## *Our Universal Design Principles*

- Provide quality service that can reasonably accommodate a broad range of diverse users, including youth, individuals with disabilities and seniors.
- Review existing services to determine which services should be made more accessible.
- Design and develop services, to the extent readily achievable, to be accessible to a broad range of users.
- Market and provide services in a manner consistent with Universal Design.

## ACCESSIBLE PRODUCTS

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, [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 can now [access first-run, video-described movies](#) as part of the FiOS-TV video-on-demand library.
- 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 under way that is testing the first text-to-911 solution. To date, some 37 jurisdictions are using one of the text-to-911 options that Verizon currently offers or supports.

- We are working with [Visus Technology](#) to help provide greater access to a system that helps visually impaired people to identify faces, expressions or objects and read text in real-life situations. Other parts of this system include color identification, image magnification and enhancement and money reading. These solutions are available via a mobile device or headset.



- › Larger text and icons allow the visually impaired to more easily navigate their mobile devices.

## *Verizon [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
- 411 assistance for customers who are blind, have low vision or have a dexterity or cognitive disability
- Video relay services, text-only messaging plans, big-button phones
- A host of messaging and chat-without-talking applications
- Standardized Braille bills for all customers utilizing preferred Type 2 coding

## **CONTENT POLICY**

In 2013, we revised our [Content Policy](#) to reflect a constantly changing and evolving digital landscape. Our policy is built on these fundamental principles:

- We provide our customers information to make informed choices.
- We are committed to supporting our customers' abilities to self-manage access to content by providing content management tools.

## ONLINE SAFETY

The Verizon network enables consumers to access a broad range of content over a wide array of devices, platforms and networks. While the sources of content and ways to access it have changed over the years, Verizon has remained an industry leader in providing tools to help customers determine and control what is appropriate for themselves and their families.

### Verizon Online Safety Information & Tools

- [Content Policy](#). We ensure content is age-rated, supporting recognized third-party content-rating systems when available and consistent with industry standard practices.
- [Insider's Guide](#). An online destination providing customers information on today's technology. Online safety experts provide "Tips for Parents" content to educate digital-age parents about common areas of technology concern, tools to help solve these problems and information to bridge the technology gap between parents and youth.
- [Safeguards and Controls Community](#). A website that provides customers the chance to follow, share and participate in the ongoing conversation about digital safety and security.
- [BEaPRO Mobile](#). These digital literacy workshops, conducted in schools and funded by a Verizon Foundation grant to iKeepSafe, guide students on the core concepts for a positive mobile experience, while providing teachers and parents the confidence to help instill these concepts.
- [Verizon Wireless Content Filters](#). Free tools are available to enable consumers to manage content access, giving parents the opportunity to decide what content is appropriate for their children.
- [Verizon Wireless Family Base](#). This subscription service is a suite of tools providing parents the means to monitor with whom, how and when their children use devices in an effort to help children use wireless technology responsibly.
- [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. The Parental Controls feature in VISS is available free to Verizon customers.



## DISTRACTED DRIVING



Responsible driving is everyone's responsibility. We want people to arrive at their destinations safely.

In 2000, Verizon became the first wireless carrier to support state legislation banning hand-held cell phone use while driving. We're still engaged in responsible driving initiatives today, advocating for common-sense legislation and spearheading consumer education efforts to raise awareness about driving responsibly.

We are also leading community programs to educate drivers and encourage responsible driving. For example, the company partnered with Seattle Public High Schools in a campaign ("Save It Seattle: Pledge to Stop Texting and Driving") enlisting students to pledge to stop texting while driving.

Verizon Telematics offers its "In Drive" service which allows a user to disable or limit some functions on a mobile device when a vehicle is in motion.



## BRINGING LTE TO RURAL AMERICA

In 2010, Verizon created the LTE in Rural America (LRA) program, a collaborative partnership with rural carriers to accelerate the deployment of rural wireless broadband services.

Under LRA, participants lease valuable 700 MHz radio spectrum from Verizon and build their own networks, enabling them to offer 4G LTE services more quickly and more economically than might otherwise be possible. A dedicated team of Verizon technology experts works directly with the rural carriers as they develop and deploy their networks.

The program is successful and growing.

As of 2014, there are 20 participants, including existing CDMA carriers and rural telephone companies. Seventeen rural mobile carriers have launched their 4G LTE

wireless broadband networks, building a network of more than 530 active cell sites that covers an area larger than the state of Illinois.



530 ACTIVE CELL SITES

20 PARTICIPANTS

2.9 MILLION PEOPLE COVERED

The leases for the 20 participants cover nearly 2.9 million people in 14 states, and represent a land area larger than California, Connecticut and Maryland combined. Customers of the LRA carriers and Verizon can roam on each other's 4G LTE networks.

## **RADIO-FREQUENCY EMISSIONS**

Verizon is committed to providing our customers with information concerning potential health effects of [radio-frequency \(RF\) emissions](#) from cell phones.

This information may include scientific research, FCC regulations, steps that customers can take to reduce RF exposure if they are concerned about health effects, and advice on where to obtain further information.

Verizon makes this information available in a number of places: on our website, in a stand-alone brochure provided in the box of every new or refurbished cell phone, in the Getting Started Guide provided with every new cell phone, and in all Verizon retail stores where a sign is posted advising that such information is available on request.

# SUSTAINABILITY & THE ENVIRONMENT



Energy reduction and waste management represent our two largest environmental impacts and are the principal focus areas for our environmental management program. We have set goals in each area to help drive our performance.

## LONG-TERM SUSTAINABILITY GOALS

GOAL	STATUS
Reduce carbon intensity by 50% by 2020 (2009 baseline).	We are currently finalizing our 2013 carbon intensity metric and we will post our results soon.
Expand the Verizon Green Team to 15,000 members by the end of 2014.	13,602 members at year-end 2013.
Collect more than 2 million pounds of e-waste by the end of 2015 (2010 baseline).	Nearly 1.5 million pounds of e-waste collected since 2010.
Recycle 90 million pounds of Verizon assets between 2014-2016.	New for 2013.
Gain EPA's ENERGY STAR certification for all eligible retail stores by 2013.	Certification awarded to 141 retail stores at year-end 2013.
Earn LEED* status for 225 retail stores by the end of 2015.	172 retail stores had earned LEED status at year-end 2013.
Increase our device recycling rate to 33% by 2015.**	Achieved a 31% device recycling rate by year-end 2013. New goal: 35% by the end of 2015.
Modify all Verizon-branded accessory packaging to only use content that is recycled or comes from responsible sources.^	Complete.
Devote 40% of our supplier spending to firms that measure and set targets to reduce GHG emissions by 2015.	Complete. New goal: 55% by the end of 2015.
Implement 10MW of green energy by 2014.	Complete. Implemented 12.4MW at year-end 2013. New target: 20MW online by year-end 2014.

\* The Leadership in Energy and Environmental Design (LEED) program of the U.S. Green Building Council. LEED certification indicates a building was designed, constructed and operated to ensure energy savings, water efficiency, and diversion of construction waste among other qualitative and quantitative measures.

\*\*The 33 percent includes handsets collected via trade-in, HopeLine as well as Extended Warranty, Non-Extended Warranty (CLNR devices) and Total Equipment Coverage / Wireless Phone Protection plans.

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

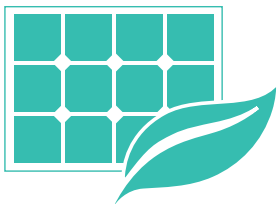
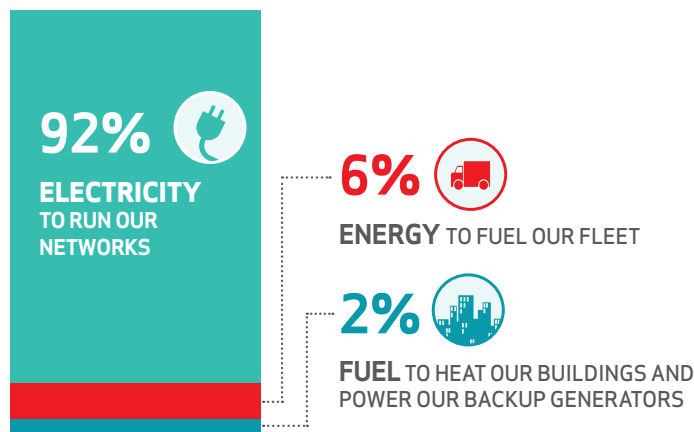
*For more than a decade, we have focused on improving our overall energy efficiency.*

## PROCESSES: FOCUSING ON ENERGY REDUCTION

It takes a lot of energy to power our wireline and wireless communications networks around the globe — more than 10 billion kWh of electricity annually. In fact, with over 46,000 cell sites, 120 million square feet of real estate and 200 data centers, carbon emissions associated with our energy use represent our principal environmental impact. That's why for more than a decade, we have focused on improving our overall energy efficiency to reduce both our costs and our environmental footprint.

The electricity to run our networks represents our largest energy category, accounting for more than 92 percent of our carbon emissions in 2013. The carbon associated with the energy to fuel our fleet represents the second-largest category at approximately 6 percent in 2013. The fuel to heat our buildings and run our backup generators accounted for approximately 2 percent of our emissions in 2013.

### Carbon Emissions 2013



**>89 MILLION kWh**  
OF ELECTRICITY  
WILL BE GENERATED  
IN YEAR ONE BY  
OUR SOLAR AND  
FUEL CELL ENERGY  
PROJECT

### Green Energy Initiatives

We have long been focused on network energy efficiency. In 2009, we set energy efficiency standards for network equipment that continue to enable our suppliers to deliver equipment that is consistently more energy efficient than the equipment it replaces.

In 2013, we announced an investment of more than \$100 million in a solar and fuel cell energy project that will help power Verizon facilities across the country. By year-end, we implemented 12.4MW of solar and fuel cells, with another 2.6MW near completion, surpassing our goal to implement 10MW. In total, the systems are expected to produce more than 89 million kWh of electricity in year one to power our critical data centers, central offices, and office buildings across six states. This effort will also eliminate more than 10,000 metric tons of carbon dioxide — enough to offset the annual CO<sub>2</sub> emissions from more than 1 million gallons of gas.

Additionally, Verizon expanded our partnership 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 identified for review, bringing our total to 12 (six were selected in 2012). All of the sites are far away from the utility power grid and currently use propane generators as the source of power. Initial findings are impressive, promising significant savings in fuel, operating costs and CO<sub>2</sub> emissions. At one location a hybrid power system configuration could power the cell site with up to 89 percent renewable energy.

**“Verizon is a source of inspiration for other retailers who are looking to improve building performance, reduce cost, improve comfort, and optimize operations.”**

—Rick Fedrizzi, President,  
CEO, Founding Chair  
U.S. Green Building Council

## Building Operations

In our building operations, pursuit of ENERGY STAR and LEED certification has helped us to significantly reduce energy usage. As of year-end 2013, Verizon had 141 certified ENERGY STAR retail stores and 172 LEED certified retail stores.

We are also incorporating green strategies into our data center operations. In 2013, the savings in six of our domestic data centers totaled 10.8 million kWh and 21.6 million gallons of water. The electricity savings were achieved by installing solar panels, improving air handling and fan operations, upgrading chiller units and installing lighting controls and LED lighting. The water savings were achieved through various water treatment and condenser upgrades.

Our Network Operations group completed “smart building technology” projects at 35 central offices in 2013 (34 domestic and one international) using Vigilant energy management systems. The projects accounted for 35 million kWh of annualized energy savings.

In 2013, we modified our generators at more than 26,000 cell sites to be ready to start when needed at a lower temperature, reducing the amount of electricity required and reducing CO<sub>2</sub> emissions by more than 42 thousand metric tons. The installation of HVAC economizers on select cell sites increased the use of outside air to cool the buildings, which reduced CO<sub>2</sub> emissions by approximately 8.9 million metric tons.



➤ Solar panels installed at Verizon facilities in Billerica, MA.

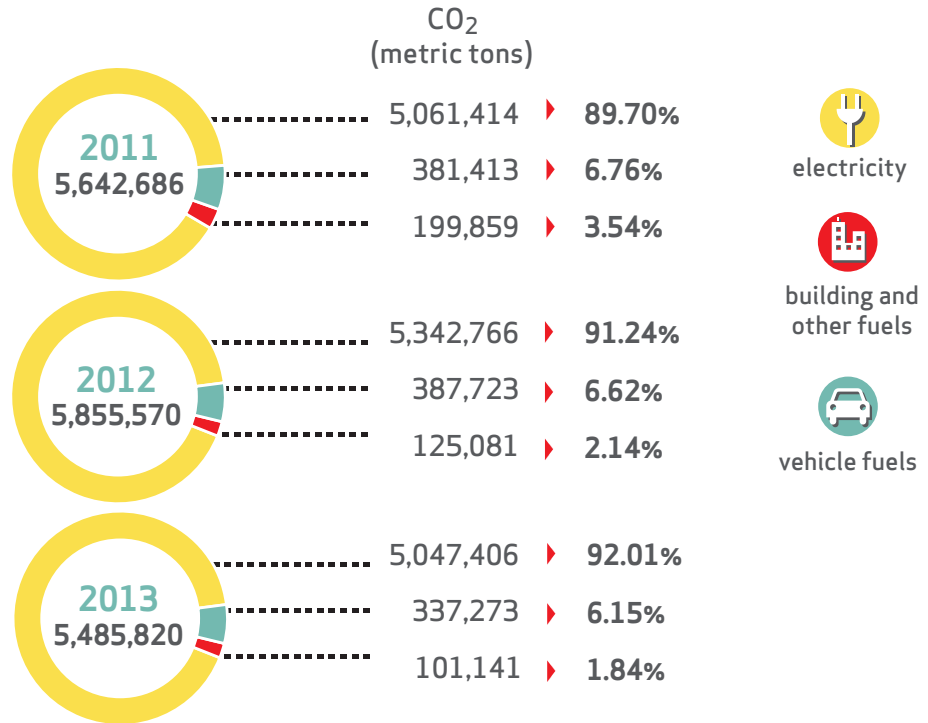
## Making Our Buildings Greener

- Since Verizon started certifying retail stores in the U.S. Green Building Council’s Leadership in Energy and Environmental Design (LEED) program in 2009, 172 of our stores have earned LEED certification.
- LEED Certification indicates a building was designed, constructed, and is operated to ensure energy savings, emissions reduction, improved indoor environmental quality and effective stewardship of resources.
- Verizon was also named as an [ENERGY STAR Partner of the Year in 2013](#) — the first and only wireless company to win this award.

## Carbon Intensity

All of our energy efficiency strategies support our ultimate goal of cutting our carbon intensity — carbon emissions produced per terabyte of data flowing through our networks — in half by 2020 over the 2009 baseline. We are currently finalizing our 2013 carbon intensity metric and we will post our results soon.

### VERIZON'S CO<sub>2</sub> EMISSIONS PROFILE:



EMISSIONS BY SCOPE				
	2011	2012	2013	YOY Change
Scope 1	581,272	512,804	438,414	(14.5%)
Scope 2	5,061,414	5,342,766	5,047,406	(5.5%)
<b>Total Scope 1 &amp; 2</b>	<b>5,642,686</b>	<b>5,855,570</b>	<b>5,485,820</b>	<b>(6.3%)</b>
Scope 3	n/a	54,172	57,213	5.6%

[See page 57](#) for an explanation of our carbon emissions accounting methodology.

## Independent Assurance Report from Ernst & Young

We believe that independent assurance enhances credibility and therefore contributes to building trust with our stakeholders.

We engaged Ernst & Young to perform an independent review of our 2013 greenhouse gas emissions reporting (Scope 1, 2 and business travel). Ernst & Young completed a limited assurance engagement, in accordance with industry standards, and nothing came to their attention that would lead them to believe that our data presentation is not accurate or complete, in all material respects.

[Read Ernst & Young's assurance report.](#)



COMPANY VEHICLES  
HAVE BEEN EQUIPPED  
WITH NETWORKFLEET  
TELEMATICS

## Fleet Operations

Verizon has implemented our Networkfleet telematics product in approximately 18,000 company vehicles. Networkfleet allows us to optimize fuel consumption, monitor for mechanical issues, and provide customized, just-in-time maintenance. Improved fleet performance not only reduces costly mechanical issues, but it also decreases fuel consumption and associated carbon emissions. Monitoring also allows us to configure the fleet so that the right number of vehicles are in the right place at the right time, reducing idling and therefore, emissions. Additionally, in 2013, we replaced approximately 1,000 full-size service vehicles with smaller mini-vans that achieve greater fuel economy than the vehicles they replaced.

### ALTERNATIVE VEHICLE PROFILE

	2011	2012	2013
Biofuel	730	435	0*
CNG	514	514	516
Electric	10	10	10
Hybrid	1,303	1,267	1,270
SmartWay Logistics	12	12	12
Total Green Vehicles	2,569	2,238	1,808

\* Verizon's fleet still includes large numbers of E85 and Biodiesel capable vehicles, but biofuel is not part of our strategy going forward.

## MANAGING WASTE

We also understand that our products represent a significant component of our environmental footprint. While we do not manufacture the devices we sell, we work with our suppliers to encourage greener designs and to offer responsible reuse and recycling options for customers when they look to switch out devices.

### Device Recycling

Our [device recycling program](#) allows retail customers to trade-in phones, tablets and other wireless devices — regardless of carrier, or when or where they were purchased — at our stores or online for a Verizon gift card that they can use toward a purchase or to pay their bill. Business customers can recycle their devices for an account credit by contacting their Verizon [business sales representative](#).

**35%**

OUR DEVICE  
RECYCLING GOAL BY  
THE END OF 2015

**800 TONS**

E-WASTE WE'VE KEPT  
OUT OF THE LANDFILL  
SINCE 2010



### Changes in Verizon-Branded Accessory Packaging

We have placed a significant focus on reducing the packaging associated with cell phone accessories — chargers, batteries, ear phones, etc. In 2013, Verizon switched our packaging for Verizon-branded accessories to materials sourced from post-consumer waste sources.

### Network Equipment Recycling

Our internal recycling programs focus on the proper disposition of old network equipment, lead acid batteries and office paper and cardboard, all to reduce the landfilling of material and to turn our waste into raw materials for other processes.

### Curbing eWaste

Our goal is to recycle 2 million pounds of e-waste by 2015 via our public Recycling Rallies, which expand the impact of our recycling beyond our operations into communities. Since 2010, nearly 1.5 million pounds of e-waste have been collected.



## HopeLine Recycling

Our [HopeLine](#) program, which turns no-longer-used cell phones into lifelines of support for domestic violence victims and survivors, has also delivered significant recycling benefits.

Since 2011:

---

**2.9 MILLION PHONES** HAVE BEEN COLLECTED THROUGH OUR STORES AND OTHER POINTS NATIONWIDE

**>2 MILLION PHONES** HAVE BEEN DISPOSED OF IN AN ENVIRONMENTALLY SOUND WAY

**\$11.3 MILLION** HAS BEEN COLLECTED IN CASH GRANTS FOR DOMESTIC VIOLENCE ORGANIZATIONS ACROSS THE COUNTRY

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## Recycled Paper Program

Verizon has long used post-consumer recycled papers in our direct mailings to consumers. In 2013, the use of these products resulted in annual savings of more than 115 metric tons of greenhouse gases and more than 455 tons of wood.



OUR LONG-STANDING SMART PRINT INITIATIVE HAD ANOTHER BANNER YEAR — SAVING VERIZON ALMOST \$9 MILLION AND REDUCING PAPER USAGE EQUIVALENT TO NEARLY

**28,500 TREES**

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## Greener Cafeterias

In 2013, we began an internal certification process to Green Certify our cafeterias based on four criteria: reusable mug programs, waste tracking, recycling programs and fryer oil recycling.

**VERIZON RECYCLING, 2013**

	WEIGHT (LBS.)
Lead acid batteries	8.35 million
Other batteries*	.34 million
Telecom equipment	32.46 million
Paper and cardboard	55.46 million
<b>Total</b>	<b>96.61 million</b>

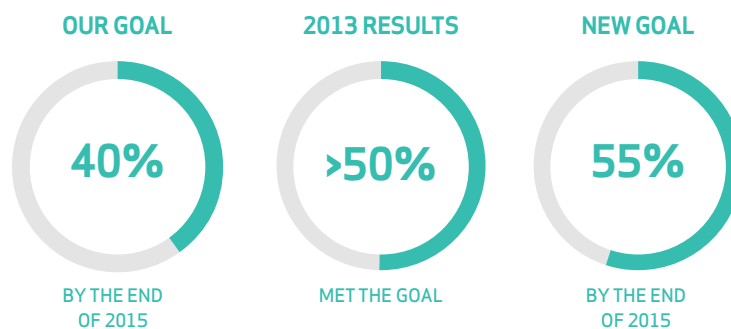
\* Alkaline, nickel cadmium, nickel iron, nickel metal hydride, carbon zinc, zinc air, lithium ion, lithium metal and magnesium.

**ENGAGING OUR SUPPLIERS**

Our commitment to sustainability extends throughout our supply chain.

Since 2011, we have conducted an annual Supplier Sustainability Assessment to evaluate our suppliers' sustainability strategy, greenhouse gas (CO<sub>2</sub>) emissions, solid waste management, water use and management, packaging practices, and sustainability in subcontracting.

We established a goal that, by the end of 2015, 40 percent of our supplier spending would be with firms that measure and set public targets to reduce CO<sub>2</sub> emissions.

**PEOPLE: ENGAGING EMPLOYEES AND THE COMMUNITY**

- Verizon held 43 recycling events across the country in 2013, encouraging employees and their neighbors to bring in no-longer-used electronics gear, phones, and supplies. More than 360,000 pounds of material (equivalent to 522 metric tons of CO<sub>2</sub> offset) was collected from more than 4,800 participants. Approximately 1,000 phones were collected for HopeLine and more than 200 boxes of supplies were donated to local charities.



**ALMOST**  
**13,500**  
 EMPLOYEES ARE  
 NOW MEMBERS OF  
 THE VERIZON  
 GREEN TEAM —  
 REPRESENTING  
 26 COUNTRIES

- Almost 13,500 employees representing 26 countries are now members of the Verizon Green Team. Team members implemented numerous energy efficiency programs at their work locations, including leading community recycling events at 18 locations across the U.S. on America Recycles Day.
- Employee team-building exercises now have a green angle. Several of our employee groups have taken up “Go Green Racing”, a team-building project that involves building and racing a solar-powered car from a kit. The cars that have been built to date — along with new car kits — have been donated to local schools to incorporate into their science curriculum. Those schools are Patrick Healy Middle School in East Orange, NJ; the Bronx Academy of Promise in New York; and Long Branch Middle School in Long Branch, NJ.
- Verizon was the first Super Bowl sponsor focused on sustainability. As part of our commitment, we worked with the Super Bowl XLVIII Host Committee and the NFL to plant more than 27,000 trees and shrubs across all New York City boroughs and nine counties in New Jersey. We also hosted two Super Bowl e-waste recycling rallies collecting more than 8,000 pounds of equipment.

## Environmental Notices

In 2013, Verizon received 74 notices regarding compliance issues with state and local environmental regulations. Most were for recordkeeping or other minor issues and did not affect the environment. All notices have been or are in the process of being resolved.

### *Shop with the Environment in Mind*

We’re committed to responsible business practices including identifying key environmental information for our devices.

Our [ECO Specs](#) label went into effect last year on a selection of our cell phones. Customers can spot key environmental information at a glance — energy efficiency, percentage of recycled content in the Verizon-branded accessory packaging, percentage of recycled content in the device, compliance with our standards on hazardous toxins in the plastics and batteries, and compliance on our standards for the recyclability of the device and its components.

Our ECO Specs label will eventually be included on all cell phones, tablets and accessories.

## GHG EMISSIONS REPORTING STANDARDS

The purpose of this section is to provide additional information regarding our carbon emissions accounting methodology. Verizon uses generally accepted accounting standards for tracking and reporting our greenhouse gas inventory. We report our emissions based on a calendar year for all sources of emissions.

**We define our Scope 1 and Scope 2 emissions reporting in accordance with *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard*.**

- Scope 1 – all direct sources of emissions owned or controlled by Verizon, with the

main categories being fuel to power our fleet, to heat our buildings and to power our backup generators

- Scope 2 – indirect emissions sources generated off-site, but purchased by Verizon. The main category is electricity to power our networks and data centers, plus a small amount of steam and heat purchased to heat our buildings.

**In addition we reference the following standards:**

- U.S. Environmental Protection Agency (EPA) 2008 Climate Leaders Greenhouse Gas Reporting Protocol: Direct Emissions

from Stationary Combustion Sources, Direct Emissions from Mobile Combustion Sources and Indirect Emissions from Purchases/Sales of Electricity and Steam

- The Climate Registry 2008 General Reporting Protocol Version 1.1: Section 13.2 Calculating CH<sub>4</sub> and N<sub>2</sub>O Emissions from Mobile Combustion

**For Scope 3 emissions we utilize *The GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard*.**

- Scope 3 – Verizon reports employee business travel by air and rail

## SOURCES OF EMISSIONS FACTORS

**We utilize the following emissions factors:**

### U.S. ELECTRICITY

- U.S. EPA 2009 Emissions and Generation Resource Integrated Database (eGRID) (released May 10, 2012)

### INTERNATIONAL ELECTRICITY

- U.K. – U.K. Department for Environment, Food & Rural Affairs (DEFRA) 2012 greenhouse gas conversion factors for company reporting (released 2013)
- Base Carbone Greenhouse Gas Emissions Factors (France), 2013
- For all other international sites – International Energy Agency (IEA) 2013 CO<sub>2</sub> Emissions from Fuel Combustion Highlights Report, “CO<sub>2</sub> emissions per kWh from electricity generation” Table (released 2013)

### NATURAL GAS

- U.S. CO<sub>2</sub>, N<sub>2</sub>O and CH<sub>4</sub> Emission Factors

U.S. EPA 2013 Revisions to the Greenhouse Gas Reporting Rule: 40 CFR Part 98 Subpart C, Tables C-1 and C-2 (released November 29, 2013)

- Australia CO<sub>2</sub>, N<sub>2</sub>O and CH<sub>4</sub> Emission Factors – Australian National Greenhouse Gas Accounts Factors (released July 2013)
- France CO<sub>2</sub>, N<sub>2</sub>O and CH<sub>4</sub> Emission Factors – Base Carbone Greenhouse Gas Emissions Factors (France), 2013

### FUELS

- Diesel, Gasoline, Gas, Kerosene, Propane, CNG - CO<sub>2</sub> Emission Factors, U.S. EPA 2013 Revisions to the Greenhouse Gas Reporting Rule: 40 CFR Part 98 Subpart C, Tables C-1 and C-2 (released November 29, 2013)
- B05, B20, E85 and Jet Fuel A CO<sub>2</sub> Emission Factors, U.S. Energy Information Agency (EIA) Voluntary Reporting of

Greenhouse Gases Form EIA-1605, Appendix H: Fuel Emissions Factors (released April 2011)

- Mobile Fuels CH<sub>4</sub> and N<sub>2</sub>O Emission Factors – The Climate Registry: General Reporting Protocol: Tips for Estimating a Mobile Fleet’s CH<sub>4</sub> and N<sub>2</sub>O Emissions (August 2009)

### STEAM

- U.S. Energy Information Agency (EIA) Voluntary Reporting of Greenhouse Gases Form EIA-1605, Appendix N: Emission Factors for Steam and Chilled/Hot Water (released November 18, 2010)

### BUSINESS AIR AND RAIL TRAVEL

- U.K. Department for Environment, Food & Rural Affairs (DEFRA) 2012 greenhouse gas conversion factors for company reporting (released 2013)

## DATA COLLECTION AND ESTIMATIONS

100 percent of our energy usage data is not available for us to meet our March reporting deadline. Actual usage data is available to calculate 94 percent of our emissions profile. For the remaining 6 percent, we employ two estimation processes:

**1.** Electricity usage for facilities without actual metered reading or utility bills we estimate based on the U.S. EPA 2008 Climate Leaders Greenhouse Gas Reporting Protocol: Indirect Emissions from Purchases/Sales of Electricity and Steam.

**2.** For electricity and natural gas usage where full December data is not available, we utilize a five-year rolling average for the percent of annual emissions data that December represents. We estimate only the additional emissions not directly accounted for based on our reporting deadline.



# SUPPLY CHAIN



## SUPPLIER CODE OF CONDUCT

We take pride in our strong relationships with suppliers, and strive to promote a mutually beneficial business relationship based on the highest standards of ethical conduct as codified in our [Supplier Code of Conduct](#).

In May 2013, we enhanced the Code to clarify our expectations. The code now contains provisions that:

- Explicitly prohibit the use of child labor, forced labor and discrimination
- Explicitly protect the freedom of association and the right to collective bargaining, pursuant to local laws
- Advise suppliers that they are expected to ensure that products supplied to Verizon do not contain [“conflict minerals”](#)
- Outline our intent to constructively engage with suppliers on compliance and enforcement (see Supplier Review Process below)

## SUPPLIER REVIEW PROCESS

Verizon is committed to collaborating with our supply chain partners to meet the high ethical, environmental, social, human rights, labor and safety standards that are embodied in our Supplier Code of Conduct and applicable laws.

To meet the challenges involved in assessing our suppliers’ corporate responsibility (CR) compliance, Verizon engaged EcoVadis to help evaluate key suppliers’ performance, focusing on environment, labor and human rights, fair labor practices and sustainable procurement.

Verizon is in the process of assessing 200 of our key suppliers. While supplier questionnaires drive the first phase of the assessment, the EcoVadis approach entails active validation of responses, collection of supplier information from public sources including NGOs, media and other sources and benchmarking suppliers on various CR factors. When weaknesses are identified, Verizon is able to collaborate with the supplier on corrective action plans promoting communication and improvement, thereby mitigating risk for both Verizon and the supplier.

For selected members of our supply chain that are closest to our core businesses, on-site, CR-focused audits are an important element of supply chain engagement. In 2013, Verizon joined the Joint Audit Cooperation (JAC) as its first U.S.-based member. JAC is an association of telecom operators focusing on CR issues in the supply chain. To promote efficiency and best practices, JAC provides a shared and coordinated on-site CR audit program of suppliers common to JAC members.

Currently, there are 10 JAC members: Deutsche Telecom, Orange, Telecom Italia, Belgacom, KPN, Swisscom, Telenor, TeliaSonera, Vodafone and Verizon. As a member of JAC, Verizon will serve on the Leadership Assembly and the Operational Board. In coordination with JAC, Verizon will directly fund and manage a number of CR audits in 2014.

## CONFLICT MINERALS

In accordance with our [Supplier Code of Conduct](#), Verizon is committed to ensuring that our products are responsibly manufactured by suppliers.

Suppliers are expected to ensure that products supplied to Verizon do not contain metals derived from tin, tantalum, tungsten and gold, or their derivatives that directly or indirectly finance or benefit armed groups in the Democratic Republic of the Congo (or any adjoining country).

Our complete [Statement on Conflict Minerals](#) is available online.

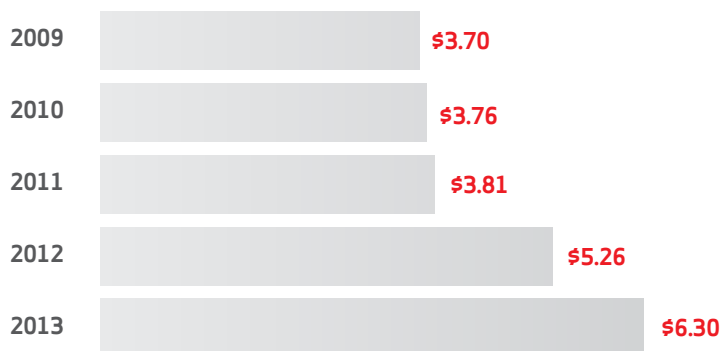
**We are committed to ensuring that our products are responsibly manufactured by suppliers.**

## SUPPLIER DIVERSITY

Verizon has a long-standing commitment to supplier diversity with goals, initiatives and incentives designed to drive broad inclusion in our supply chain for certified minority, women and service-disabled veteran business enterprises.

In 2013, Verizon purchased \$6.3 billion in goods and services with diverse suppliers, an increase of more than \$1 billion compared with 2012, bringing our total spending to more than \$22 billion over the past five years.

### Overall Spending with Diverse Suppliers (in \$ Billions)



We know that supplier diversity is a fundamental requirement for business success, and we also appreciate how critical our business is to the success of our suppliers. A robust supplier diversity program leads to strong results. We support supplier diversity through a variety of workshops and networking events designed to improve our suppliers' capacity, business operations and procurement process.

## Verizon Supplier Diversity Programs

- **Verizon Premier Supplier Academy.** Provides educational, technical and business skills training for our diverse suppliers, including one-on-one mentoring, networking events and individualized strategies.
- **Procurement & Technology Education Series.** Through partnerships with minority chambers of commerce, we provide training for small and minority-owned businesses on how to use technology such as e-marketing, e-procurement and customer relations tools.
- **Buy Those Who Buy Us Fund.** We support this fund in its efforts to assist minority-owned businesses secure funds to build the scale of their operations.
- **Verizon Supplier Summit.** We host this annual event to outline our key business objectives for the year and recognize suppliers with awards for performance excellence.
- **Free Resources.** We offer a variety of innovative and informative free resources, including [webinars](#) that feature leading business experts; an [online tool](#) to help identify helpful apps for small businesses; and the [Verizon Small Biz Blog](#), which offers tips and insights on how to grow profits, increase productivity, and improve small businesses.

## 2013 Recognition for Supplier Diversity

In 2013, Verizon again received recognition from several important organizations regarding our support for supplier diversity:

- The Women's Business Enterprise National Council named Verizon a "Top Corporation" in support of women-owned businesses for the eighth consecutive year
- Minority Business News named Verizon to its Corporate 101 list for our efforts in support of diverse enterprises
- Verizon was once again placed on Diversity Inc.'s "Top 50 Companies for Diversity" list.

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, and the U.S. Hispanic Chamber of Commerce Million Dollar Club for integrating Hispanic businesses into our sourcing and procurement process.

# ENGAGING 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.

## EMPLOYEE DEVELOPMENT

Verizon is committed to providing employees with the learning and development they need to keep pace with rapidly changing technology and deliver a great experience to our customers every day.

That commitment to employee learning and development has placed Verizon among the best corporations globally, as demonstrated by our No. 1 ranking from *Training* magazine for the second year in a row. We have ranked among the magazine's Training Top 125 for 12 consecutive years and were recently inducted into its Hall of Fame, as a result of our ranking in the top 10 for four consecutive years.

We leverage our own technology — mobile devices and cloud-based computing powered by our network — to bring learning and development content to our employees when they need it most to better support our customers. Our ability to put customers first every day is dependent on engaged and talented employees, so Verizon invests heavily in our people and our learning and development systems.

Last year we invested more than \$275 million in learning and development, offering more than 12,000 courses. In total, Verizon employees completed more than 8 million hours of training in 2013 — equivalent to an average of 45.2 hours per employee. In the last three years, Verizon employees have completed more than 24 million hours of training.

### EMPLOYEE TRAINING

(AVERAGE ANNUAL TRAINING HOURS PER EMPLOYEE)

<b>2011</b>	44.1
<b>2012</b>	44.6
<b>2013</b>	45.2

## 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 2013, nearly 22,000 employees across the company were assisted by the program in continuing their education.



## VERIZON TUITION ASSISTANCE PROGRAMS

YEAR	PARTICIPANTS	EXPENDITURES
2011	27,232	\$127M
2012	23,302	\$98.6M
2013	21,912	\$86.3M

## BENEFITS

### Health & Wellness

Verizon is committed to the health and wellness of our employees, their families and our retirees. In 2013, we provided coverage to more than 700,000 beneficiaries, investing more than \$3.2 billion to deliver high-quality health care benefits.

Our goal is to provide a work environment that promotes a culture of health.

**We promote health and wellness across our population through a personalized experience with particular attention to these pillars.**

- **Health Literacy** — increase the participant’s ability to access, understand and apply basic health information and services to make good decisions and take action.
- **Accountability** — drive participants to take sustainable steps to get and stay healthy and efficiently use benefits and resources to help manage health care costs.
- **Environment** — adopt healthy workplace best practices to promote smart eating choices, increase physical activity options, enforce tobacco-free policies and share stress management resources.
- **Health on Demand** — provide personalized, innovative health tools and media that are conveniently accessed on demand and encourage participants to use them.
- **Social Support Community** — foster a framework that will help identify internal Verizon communities to support and reinforce healthy habits.
- **Bridging the Gap** — share the information, resources and successes of a healthy work culture with employees’ families and within the communities we serve where feasible.

We achieve these pillars through a robust program that combines quality health care benefits, extensive health-literacy resources and tools and preventive and early detection services delivered through our health plans and readily accessible lifestyle programs.

What fuels our positive health and wellness results are our “Be Well, Work Well” programs. At the grass-roots level, we offer on-site health and wellness initiatives at more than 150 locations, including 45 on-site Health and Wellness Centers. Our on-site events included biometric health screenings, mammography screenings and flu shots.

> **\$3.2**  
**BILLION**  
INVESTED IN 2013  
TO DELIVER HIGH-  
QUALITY HEALTH  
CARE BENEFITS

## Results of our 2013 on-site events

**7,000+** EMPLOYEES RECEIVED A NO-COST HEALTH SCREENING FOR CHOLESTEROL, BLOOD SUGAR, BLOOD PRESSURE AND BODY MASS INDEX.

**1,700+** EMPLOYEES WERE SCREENED IN 2012. BY 2013, 28 PERCENT OF THOSE WHO HAD OUT-OF-RANGE BLOOD PRESSURE HAD MOVED TO IN-RANGE.

**20,000+** EMPLOYEES RECEIVED FLU SHOTS ON-SITE, A RECORD INCREASE OF 8 PERCENT.

**600+** WOMEN TOOK ADVANTAGE OF THE ON-SITE MAMMOGRAPHY SCREENINGS.

### **Our on-site Health and Wellness Centers serve as the hubs for health and wellness information for their locations.**

- Nearly 17,000 Health and Wellness Center members completed more than 600,000 workouts and more than 120,000 personal training sessions in 2013.
- The centers developed 19 at-home workout videos accessible to all employees and their families.
- With our “Always a Higher Gear” online tracker, we’ve captured measurements of employees’ weight, minutes and miles of exercise, body composition and goals.

### ***“Always a Higher Gear” online tracker results***

**85,000+** POUNDS LOST SO FAR, SINCE WE BEGAN TRACKING WEIGHT LOSS IN 2010.

**ALMOST 770,000** HOURS SAVED IN THE LAST 2 YEARS, SINCE WE STARTED CALCULATING HOURS OF LIFE SAVED IN 2011.

**450,000+** MILES OF EXERCISE RACKED UP BY EMPLOYEES SINCE 2012, BASED ON THE NUMBER OF MINUTES OF EXERCISE LOGGED.





Our Healthy Pregnancy Program accounted for 30 percent of all Verizon employees' babies delivered in 2013.

Preventive care and outreach initiatives at Verizon also include prenatal and postnatal maternity care with our Healthy Pregnancy Program (formerly known as Future Moms) at Anthem Blue Cross and Blue Shield. The Health Pregnancy Program accounted for 30 percent of all Verizon employees' babies delivered in 2013, a 3 percent increase in participation over 2012.

Ensuring employees have access to the right care at the right time is one of our health benefits priorities. An example is the Anthem Blue Cross and Blue Shield Radiology Program, launched in mid-2013. Anthem's nurses, in partnership with the participant's physician, review imaging referrals to recommend the most appropriate tests with the least exposure to excessive radiation.

We use technology to connect with and educate employees through our WellConnect portal, targeted email campaigns and webinars. WellConnect is the gateway to all Verizon health and wellness resources, where employees access information on resources for preventive care, tobacco cessation, exercise, healthy recipes and more. Visits to WellConnect increased by 98 percent in 2013, with the help of the new *Wellness Now* interactive eMagazine.

Online webinars also deliver information on key health topics and present an opportunity to ask questions of clinicians and subject matter experts. Webinar topics for 2013 included Healthy Pregnancy, Men's Health, Know Your Numbers — Preventive Care Screenings, and Asthma Awareness. On average, 1,000 employees participated in each webinar.

Among the targeted email campaigns for 2013, we promoted breast cancer awareness and the importance of screenings for women, delivering messages with culturally relevant information about breast cancer based on race/ethnicity demographics. Messages also were deployed to men who were encouraged to share this health information with the important women in their lives.

In 2014, Verizon will continue our comprehensive commitment to providing our employees with the information, resources and tools they need to be well and work well. We believe that a healthy and productive workforce is at the heart of a healthy and successful business.

## Work/Life Balance

Sometimes employees face personal challenges with issues related to health and wellness or caring for children or adults that could affect their ability to work. That's why we offer alternative work arrangements. Also, 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, our "Gradual Return to Work Program" allows most employees returning from childbirth or child-adoption leaves to maintain their benefits coverage while working a reduced schedule. Also, for most 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. In addition to discounts offered on many Verizon products and services, our 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.



**“Powerful Partnership with our Veterans”** features Robert Pesavento, a Verizon Network Cell Technician who served with the U.S. Army in Afghanistan.



**“Starting Over Strong,”** features Jake Murphy, of our Supply Chain organization, a West Point graduate and former U.S. Army officer, who was wounded while serving in Afghanistan; and fellow West Point graduate Chris McLaughlin of our Consumer and Mass Markets organization.

## 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 and advancing our business. During the past decade, more than 2,000 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 three 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.

Verizon continues to partner with other various agencies such as the U.S. Chamber of Commerce, Department of Defense, Joining Forces, Employer Support of the Guard & Reserves and Military Spouse Employer Partnerships. We also partner with other large companies in efforts such as the “100,000 Jobs Mission,” which aims to collectively hire 100,000 transitioning military men and women and other veterans by the end of 2020. In addition, Verizon is a founding member of the Veterans Employment Advisory Council with the U.S. Chamber of Commerce Foundation, a national program that increases employment opportunities for military spouses, reservists and disabled veterans.

**11,200+** VETERANS ARE EMPLOYED AT VERIZON

**1,097** VETERANS WERE HIRED IN 2013

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, DC,-area and Baltimore airports, which provide men and women in the military access to free telephone calling to anywhere in the world. 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.



## COMMITMENT IN ACTION



## Hiring Our Heroes? THERE'S AN APP FOR THAT

The U.S. Chamber of Commerce asked if the multiple assets on its [“Hiring Our Heroes” website](#) could go mobile and be easily accessible to military veterans and their spouses. Our answer: Of course.

We assembled a team of Verizon employees who collaborated with [frog Design](#) — an award-winning design and technology company — and James Cunningham, a veteran and former manager of digital properties for the U.S. Chamber of Commerce, to create the first app built in-house for the public.

“We understand first-hand the invaluable experience, skills and most of all leadership that veterans bring to the workplace. Through the Hiring Our Heroes mobile app, we’re using the awesome power of our technology to help connect these talented men and women with companies we know will feel lucky to have them.”

—Claudia Healy, Verizon VP  
Talent Acquisition & Development



In just three months, we delivered a free app available on [Google Play](#) or [iTunes](#) that places all employment tools available at the Hiring Our Heroes website at the fingertips of any military member or military spouse searching for work. It provides resources such as:

- A resume engine to help develop a professional resume and business cards,
- An automatic locator for upcoming hiring fairs,
- Tools for conducting job searches, and
- A locator for employment workshops.

## COMPENSATION

Our competitive compensation program is designed to attract the talent we need as an innovative, global technology leader and to support and drive our performance-based culture.

We also offer incentive pay for all employees that is tied to individual or team and company performance. Incentive pay helps to connect our employees' performance with the interests of our customers and our shareholders, which ultimately determine our business success.

***Having employees with diverse backgrounds and experiences makes us more innovative.***

## DIVERSITY

At Verizon, diversity means cultivating an inclusive organization that reflects the marketplace and leverages the diversity of employees, customers, suppliers and community partners, because it is the right thing to do and drives business success.

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 worldwide have opportunities to contribute and grow. Our equal opportunity policy provides 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.



## Employee Resource Groups

Verizon supports a variety of Employee Resource Groups (ERGs) within the workplace. Through their individual affinities, these volunteer organizations play a critical role in helping us to achieve our vision to be an employer of choice.

ERGs support achievement of key business goals through initiatives focused on employee engagement and retention, diversity awareness and recruitment, understanding our broad customer base and philanthropic efforts aimed at sharing our success with our communities. They also provide a stronger sense of community within the company.

ERGs align their efforts with business goals and provide a wealth of knowledge that can be leveraged to drive results. The cross-functional nature of ERG membership fosters collaboration, information sharing and connections to our diverse customer and vendor base.

### *Verizon Employee Resource Groups*

- 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

**Through our employee communications, we create an ongoing conversation.**

## COMMUNICATIONS

Communications play a key role in engaging, enabling and inspiring all members of our Verizon Team. Through our employee communications, we create an ongoing conversation that allows for collaboration, participation and innovation at all levels across our global business and supports our Verizon culture, which fosters an employee experience rooted in the open, candid and direct exchange of ideas.

A central communications channel is VZWeb, which delivers a rich, social and personalized intranet experience. VZWeb connects employees with company and industry news, policies and resources and collaboration tools. Thousands of employees post comments and replies on the news, submit their ideas and carry on a discussion with colleagues across the globe.

## VZWeb Content

VZWeb serves as the portal to other company content including:

- “About You,” our human resources website that provides a robust, personalized experience for employees to explore career and training opportunities, manage their wealth accumulation, balance work and family life, access personalized benefits information, learn how to improve their health and wellness, use performance management tools and review HR guidelines, safety and policy information.
- “The Learning Portal,” where employees can develop their skills, expand their knowledge, complete training requirements and enhance their leadership capabilities through online access from work and from home to Skillsoft, Books 24x7, Verizon Leadership University, podcasts and much more. The site maintains a record of all training completed and allows employees to rate and share comments on courses.
- Our Credo, Commitment & Values, Code of Conduct, Corporate Responsibility News, Diversity Strategy, Ethics and Compliance, Green and Sustainability, Verizon Recognition and Awards, the Verizon Foundation, and the Verizon Employee Relief Fund (V2V).
- Videos and webcasts that provide updates on new products and business initiatives, plus stories about employees serving customers, innovating powerful solutions through our unmatched technology platforms and volunteering in our communities around the world.

Internal and external social networking tools promote knowledge and ideas sharing, cross-collaboration among teams and exchanges on business initiatives. Employees connect with one another through Yammer and Chatter, and with senior management through live-chat technology, where they can ask questions and receive real-time answers directly from leadership. In 2013, Verizon leaders conducted multiple hour-long chats on topics including process improvement, sales, customer experience and information technology.

Employees also can speak directly with Chairman and CEO Lowell McAdam during his all-employee webcasts. During these webcasts, Lowell reviews progress on key objectives, financial results and shareholder value creation, and answers questions from the live audience and employees around the world, who submit questions through VZWeb or via text messaging. He also presents Verizon Credo awards to publicly recognize high-achieving employees who put our Credo into action every day.

Because the volume of questions exceeds what can be covered during the live webcast, Lowell frequently posts additional responses to key issues on VZWeb. Senior leaders across Verizon also regularly host webcasts, conducting 80 in 2013. In addition, across the globe, local and senior leaders host smaller, more informal town hall meetings and roundtables.



It's all part of creating a culture that encourages dialogue and enables collaboration, amplifying the voice of the employee.

It's all part of creating a culture that encourages dialogue and enables collaboration, amplifying the voice of the employee — and in turn, provides the V Team with the critical tools they need to deliver superior customer experiences and create value for our shareholders.

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## Voice of the Employee

We amplify the Voice of the Employee within our business by inviting employees to share their opinions about the company through the Verizon Viewpoints employee opinion survey. Conducted once every two years, the survey allows employees to provide their perceptions about key areas of our business, such as Our Credo, Culture & Core Values, Customer Focus, Quality & Value Creation, Employee Experience and what it's like to work at Verizon.

Employees also are invited to write in comments about any business-related topic. In 2012, nearly 94,000 employees responded, and we received more than 40,000 write-in comments.

Our 2012 survey 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. Each Verizon business unit has received its Viewpoints results and will continue the dialogue with its teams on those opportunities identified where we can improve our performance. In 2014, we will again survey our employees across the globe ([see page 79 for Key Performance Indicators](#)).

In addition to our biennial employee survey, several “Pulse” surveys are conducted each year that are designed to provide an ongoing measure of the internal health and climate of the organization. We conduct a Performance Pulse Survey each year to ensure that supervisors are providing annual performance reviews and discussions with their teams along with clear performance objectives.

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## CULTURE AND ENGAGEMENT

### Driving Powerful Answers Through Employee Suggestions

When it comes to innovation, we seek to unleash the Powerful Answers that exist within the hearts and minds of our employees.

This simple but powerful idea engine and collaborative platform provides employees with the opportunity — and the most advanced tools — to suggest innovative ways to tackle business challenges, create shareholder value and most importantly, focus on our customers, every day.

Since we launched our turbo-charged employee idea engine in October 2013, Verizon employees have submitted more than 2,600 ideas, collaborated more than 19,500

times and participated in eight leadership-led business challenge sessions, resulting in better processes that are delivering significant savings and improved customer experiences.

## LABOR RELATIONS

We have 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 approximately 50,000 Verizon employees. These employees are covered by 50 collective-bargaining agreements.

In 2013, we completed 13 contract negotiations (primarily in the West areas) that covered approximately 6,800 employees. These agreements continue our history of providing good jobs with competitive wages, valuable benefits and affordable quality healthcare that rate among the best in our industry.

In addition to contract negotiations, Verizon continued to conduct meetings with union leadership to discuss matters key to the business and employees, such as safety, the state of the business, efforts to improve business processes and absence. At the local bargaining unit level, periodic meetings were held to discuss issues such as workforce adjustments, impacts of technological change, safety, workplace consolidations and transfer of employees.

We continually use our successful Be SAFE behavior-based communication program to promote safety and enhance procedures to foster a culture of safety. Be SAFE promotes four important principles:

Be **SMART** by knowing safety procedures;  
 Be **AWARE** of your work environment;  
 Be **FOCUSED** on performing the job safely;  
 Be **EQUIPPED** for the job.



## SAFETY

Verizon is among the leaders in safety, as measured by the Bureau of Labor Statistics (BLS). In 2013, our Occupational Injuries and Illnesses Rate for U.S. operations was 1.35 per 100 employees, almost one-third better than the BLS telecommunications-industry average of 2.00.

We make safety a top priority and take extensive actions to ensure that all employees enjoy a safe and productive work environment. Our safety performance is a direct result of our comprehensive safety management processes. Key elements of our approach to safety include:

- Internal and third-party domestic and international audits to ensure compliance with our environmental compliance and safety-management processes.
- A wide array of training along with tools and safety equipment based on job requirements.
- Providing information and standard operating procedures that employees need to work safely in field operations, call centers, stores or administrative offices.

Creating a behavior-based culture of safety requires that employees extend the safety mindset beyond the workplace. Many of our communication and education

initiatives provide information that applies at home and at work, on topics such as electrical safety, ergonomics and avoiding slips and falls.

In April 2013, we introduced our 12-part online video series to promote defensive driving with “How to Avoid Becoming a Distracted Driver.” This quarterly series will continue through 2015. Employees who drive on the job are required to view the series, which is made available to all employees. The defensive driving video program supports our goal to turn safety practices into daily habits at work and at home and has raised safety awareness and encouraged Be SAFE behaviors and personal accountability among employees everywhere.

VERIZON INCIDENT RATES (PER 100)				BUREAU OF LABOR STATISTICS
	2011	2012	2013	Industry Rate
<b>Occupational Injury &amp; Illness Rate</b>	2.20	1.35	1.35	2.00



› Safe driving is a top priority at Verizon. New for 2013 was a video series on defensive driving — required viewing for all employees who drive on the job.

# COMMUNITY SERVICE & PHILANTHROPY



We strive to be a responsible and committed community partner. Our employees are the embodiment of that goal in communities around the globe, and we encourage and support them to give back by using their skills and interests to address social issues.

## VOLUNTEERING

We have a long-standing tradition of encouraging sustained community service through matching gifts and employee volunteer efforts.

### IN JUST THE PAST FIVE YEARS

**>\$114 MILLION** HAS BEEN DONATED TO NONPROFITS THROUGH EMPLOYEE GIFTS AND THE VERIZON FOUNDATION MATCH

**2.3 MILLION HOURS** OF VOLUNTEER SERVICE HAVE BEEN GIVEN BY EMPLOYEES

**>33,000** COMMUNITY NONPROFITS HAVE BENEFITTED FROM OUR EMPLOYEES' SUPPORT

### *Encouraging Community Service*

- **STEM Mentoring.** Through our partnership with the National Academy Foundation, our employees work with students to further develop their interests and skills in engineering and IT, and help prepare students for academic and career success.
- **Cause Collection Campaigns.** Verizon employees participate in campaigns to collectively contribute time, money, and material goods to designated nonprofit organizations and schools throughout the year. Examples include: Tools for Schools, an annual collection of school supplies for underserved school districts, and Dress for Success, a collection of professional attire to assist disadvantaged women in their transition into the workforce.
- **Verizon Employee Relief Fund (V2V).** Employees who suffer severe damage to their primary residence from natural disasters can receive up to \$5,000 to help with basic necessities. This new program is funded by employee donations.

# DOLLAR FOR DOLLAR

THE VERIZON  
FOUNDATION  
MATCHES EMPLOYEE  
DONATIONS TO  
ELIGIBLE NONPROFITS  
AND SCHOOLS UP TO  
\$1,000 PER YEAR

- **Volunteer Grants.** Employees who log 50 or more volunteer hours with an eligible nonprofit organization 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 eligible nonprofit organizations and schools.
- **Matching Gifts to Colleges and Universities.** The Verizon Foundation 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 each raise funds and participate in a cause-related walk/run/bike event with an eligible nonprofit or school can apply for a grant that matches their fundraising up to \$1,000 per team member and up to \$10,000 per event.
- **Disaster Relief and Recovery Programs.** The Verizon Foundation matches employee donations dollar for dollar, up to \$1,000 per year, to designated disaster relief organizations to assist communities around the globe in the aftermath of natural disasters.



➤ Verizon teams up with Colorado Springs Office of Emergency Management to host Sand Bag Saturday.



## COMMITMENT IN ACTION

## Inspiring kids to pursue CAREERS IN STEM

**Carmen Flores loves it when she sees “the light bulb go on” with students.**

*During the past several years, she has devoted hundreds of hours hosting students in events at Verizon offices. The events range from arranging job-shadowing days and leading workshops to delivering presentations about careers at Verizon.*

*The bulk of volunteer work that Flores leads springs from our relationship with the National Academy Foundation (NAF), a long-standing Verizon partner in boosting student achievement and career interest in STEM. Flores, a 14-year veteran of Verizon who serves as a manager in the Corporate Technology group in New York City, works with NAF via her post as co-chair of the STEM Committee for the Women’s Association of Verizon Employees.*



**“Kids don’t immediately see the linkage between their interests, the subjects they’re studying and a career. They believe ‘science’ means test tubes or ‘computers’ mean programming. That’s why I love to help them discover the connection. When they get it, the shyness and reserve melts away. They have so many questions and so much to say. It really breaks down the barriers.”** —Carmen Flores

*Of late, Flores has set up events in Texas, Maryland and New York in support of National Engineers Week.*

*Among the high points she lists in her busy volunteer life is hosting an international workshop that connected high school students in Manhattan and Argentina. She is also proud to have shared her own career journey in numerous presentations to NAF students.*

*Particularly gratifying to Flores is the effect these events have on young women. “When they get to know who we are — and learn that we’re not too different from them — it gives them so much confidence.”*

## PRO BONO PROGRAM

Attorneys and staff from our Public Policy, Law and Security group continue to donate thousands of hours annually to help meet the acute demand for legal services among individuals and nonprofit organizations in need.

The focus of this Pro Bono Program continues to be educating students and community groups about the law (via our association with [Street Law, Inc.](#)); supporting victims of domestic violence; and helping returning veterans navigate benefits and other issues.

We started the Pro Bono Program in 2009 in partnership with the DLA Piper law firm and several nonprofit groups devoted to pro bono work.

**“...It is incredibly satisfying to give back to people who need help and who have sacrificed their own well-being to protect our country and our families.”**

—Greg Harris,  
Asst. General Counsel Verizon

### *Highlights from our 2013 Pro Bono volunteers*

- Our volunteers guided a number of veterans who had suffered injuries from their combat service in applying for and receiving a variety of special compensation benefits.
- Volunteers in California joined students from the University of California — Irvine College of Law and members of the Los Angeles-based Mental Health Advocacy Services organization to assist 12 families from an isolated community obtain special educational assistance for their children.
- In April 2013, the American Bar Association Business Law Section awarded Verizon the National Public Service award for corporate law departments.
- 120 students from New Jersey high schools participated in classes in constitutional law, employment law, intellectual property and contracts presented by our New Jersey Street Law volunteers.
- Our New York-area attorneys joined their colleagues from DLA Piper to staff a clinic that provided legal services to nonprofit organizations that improve the quality of life throughout the New York City metropolitan area. The clinic was put together by the Lawyers Alliance for New York.
- Our Street Law team from Arlington, VA, worked with students from J.E.B. Stuart High School enrolled in an [AVID program](#) (Achievement Via Individual Determination). Among their activities were presenting basic legal principles, negotiating contracts, how to establish a small business and how to write a successful college application essay.

## COMMITMENT IN ACTION

## Verizon's Angie Frye HONORED FOR PRO BONO WORK



***Throughout her professional career, Angie Frye has not only devoted substantial time to pro bono service, but she has inspired others to get involved as well.***

*The Chicago-based Verizon attorney regularly volunteers with the Domestic Violence Legal Clinic (DVLC), helping domestic violence victims obtain civil orders of protection. In this role, Angie works shifts at the courthouse, handling emergency orders of protection and same-day hearings.*

*She also represents clients seeking to obtain plenary orders of protection, which often require multiple court appearances and involve highly contested issues.*

*Thanks to her leadership, Verizon was the first company to take part in DVLC's Pro Bono Project. Angie is also the Chicago-area coordinator for Verizon's Street Law program and serves on the Board of the Legal Aid Society.*

*For her "unsung pro bono contributions," Angie received the 2013 Outstanding Corporate Counsel Award from the Chicago Bar Foundation and the Chicago Bar Association.*

*As part of the award, Angie designated a special grant — provided by the Chicago Bar Foundation — to the DVLC.*



› Verizon employees in the Philippines assist in recovery efforts.

## PHILANTHROPY

### Aid for Typhoon Haiyan Victims

In the aftermath of Typhoon Haiyan, which devastated the Philippines in early November 2013 and affected nearly 11 million people, Verizon and our employees together donated more than \$500,000 to aid victims.

These funds were distributed to the American Red Cross and Save the Children, which provided food, clothing, shelter and medicine to those affected by the storm.

We also activated the company's text-to-donate program to help Haiyan victims, allowing U.S. customers to make a \$10 donation to several organizations: Catholic Relief Services, HOPE Worldwide, Operation USA, Save the Children, UNICEF, World Food Program USA or WORLD VISION. Text messaging fees were waived and 100 percent of each donation went directly to the receiving organization.

We also waived charges for all calls to the Philippines through December 7, 2013, including text and multimedia messaging.



› Emergency supplies displayed at the National Preparedness Month event in Jersey City, NJ.

### Help for Tornado-Ravaged Communities

Deadly tornadoes ripped through the Midwest United States in late November 2013, causing several deaths and widespread damage. Verizon donated \$50,000 to the American Red Cross, Central Illinois Chapter for Tornado Relief, and matched employee donations of \$25 or more to the American Red Cross in support of U.S. Midwest Tornado Relief.

Our text-to-donate program was activated as well, which enabled customers to make a \$10 donation to the Northern Illinois Food Bank or the American Red Cross.

# KEY PERFORMANCE INDICATORS



## MEASURING OUR PERFORMANCE

**ETHICS AND GOVERNANCE:** We operate our business with the highest level of integrity and accountability, using the Verizon Credo to guide our actions every day.

WHAT WE SAID WE'D DO	WHAT WE DID	WHAT WE'LL DO NEXT
Readminister the Conflict of Interest Questionnaire (COIQ) to the leadership team and Supply Chain Services organization.	The COIQ was administered to 100% of the leadership team and Supply Chain Services organization.	Readminister the COIQ in 2014 for the leadership team and Supply Chain Services organization.
Enhance the transparency of mobile application privacy policies and statements.	<ul style="list-style-type: none"> <li>Included privacy policy links in app store descriptions and within additional Verizon mobile applications.</li> <li>Created privacy policy statements for applications that collect new data or are using data in new ways.</li> </ul>	Enhance the processes that protect personal data when data that originates in the European Union is transferred outside of Europe.
Reinforce our Code of Conduct to all employees through proactive communications and compliance training.	Published a series of communications online and in company publications focused on business ethics and our Code of Conduct.	Implement mandatory Code of Conduct training for all employees globally and continue proactive awareness communications.
Update our Supplier Code of Conduct.	Amended our Supplier Code of Conduct in 2013 so it explicitly protects freedom of association and explicitly prohibits child labor and forced labor.	Participate on the Joint Audit Cooperation (JAC) Leadership Assembly and Operational Board; fund and manage a number of on-site supplier audits in 2014.
Review our Human Rights Statement and human rights risk-assessment process.	Our Human Rights Statement and human rights risk-assessment process were reviewed and strengthened through adjustments to other related policies in 2013.	We will continue to review our Human Rights policies to determine if any changes are appropriate.



**COMMUNITY IMPACT:** We're using philanthropy to find innovative solutions to the issues that matter to our communities and open our eyes to opportunity.

EDUCATION		WHAT WE'LL DO NEXT
WHAT WE SAID WE'D DO	WHAT WE DID	WHAT WE'LL DO NEXT
Expand the Verizon Innovative Learning Schools (VILS) program to an additional 12 schools.	Expanded VILS to an additional 12 underserved schools across the country.	Expand VILS to an additional eight underserved schools; publish updated reports on the impact of VILS on student achievement in STEM.
Publish findings on the impact of the VILS program on student engagement and proficiency in science, technology, engineering and math (STEM).	Published <a href="#">report</a> on the impact of VILS on student engagement and proficiency in STEM.	Expand the UTeach professional development program to an additional four universities.
Launch a professional development program for teachers in higher education that focuses on integrating mobile devices in instruction.	Formed an in-kind partnership with UTeach to fund and equip four universities with new mobile learning technology and professional development.	Select and train another 24 regional and national winning teams in the next App Challenge. Launch afterschool app development programs for underserved students.
Select the 10 winning teams in the Verizon App Challenge.	Selected and trained the 10 winning teams on app development; launched nine completed apps in Google Play.	Transition Thinkfinity into a mobile learning technology and professional development platform, and create a virtual teacher training course.
Expand the scope of Thinkfinity to include online conferences, new resources for using mobile devices in the classroom and online demos by teachers on technology-based lessons.	Expanded Thinkfinity to include 40+ mobile learning resources.	
HEALTHCARE		WHAT WE'LL DO NEXT
WHAT WE SAID WE'D DO	WHAT WE DID	WHAT WE'LL DO NEXT
Launch the Verizon healthcare partnership at 23 sites across the country; publish assessment of the program's impact on chronic disease management.	Launched four national healthcare partnerships at 10 sites with nonprofit organizations focused on children, women, seniors and community health. Program assessments pending.	Continue launching healthcare partnership sites across the country with national nonprofits. Publish program impacts on health outcomes.
ENERGY MANAGEMENT		WHAT WE'LL DO NEXT
WHAT WE SAID WE'D DO	WHAT WE DID	WHAT WE'LL DO NEXT
Launch a comprehensive energy management effort for underserved areas that uses innovative technology and education tools to decrease energy consumption and carbon emissions.	Launched the Smart Solutions for Affordable Housing Program energy usage study in Austin, TX, with Pecan Street, Inc. ( <a href="#">see page 8</a> ).	Complete the energy research study in Austin; track energy consumption for all participants; achieve lower energy consumption for 25% of participants within the first year.

**EMPOWERING EMPLOYEES:** We offer challenging work, the opportunity to build a great career and an environment that respects individuality.

WHAT WE SAID WE'D DO	WHAT WE DID	WHAT WE'LL DO NEXT
Share our 2012 "Viewpoints" employee opinion survey results with employees; identify opportunities for improvement.	Communicated "Viewpoints" results to all employees and generated customized reports for units to develop action plans; conducted 2013 Performance Pulse Survey to ensure employees received performance reviews and have performance objectives; and cross-analyzed all data to identify engagement gaps to improve performance.	Conduct our biennial "Viewpoints" employee opinion survey in 2014 and a 2014 Performance Pulse Survey.
Develop diabetes scorecard to help determine gaps in care protocols for employees, specifically disparities in care.	Diabetes scorecard identified gaps in testing, medication adherence and program participation.	Implement new programs to help detect pre-diabetic conditions and manage the condition.
Continue participation in the activities of the Health IT NOW Coalition which focuses on the need for interoperable electronic health systems.	Health IT NOW worked with Congress to address barriers to further deploy telemedicine services for consumers. Legislation has been introduced to allow Medicare doctors to treat Medicare beneficiaries via telemedicine across state lines without requiring separate state licenses. The coalition also worked to advance interoperability for health information technology systems as well as to reduce barriers for providers to adopt interoperable systems.	Work with Congressional leaders to improve the ability of healthcare providers to share data; introduce specific dates for this interoperability into pending legislation.

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

WHAT WE SAID WE'D DO	WHAT WE DID	WHAT WE'LL DO NEXT
Introduce new feature phones, smartphones and tablets with expanded accessibility features.	Launched new handsets and tablets that incorporate accessibility features.	Introduce a suite of applications for the Droid platform designed for seniors and people with disabilities ( <a href="#">Visus</a> ).
Expand awareness of SureResponse and introduce new features.	Featured SureResponse at a series of conferences via presentations and demonstrations.	Expand outreach of SureResponse to new venues, including social media outlets.
Release voicemail-to-text product in 3Q 2013.	This product remains in development. Launch is planned to be in conjunction with 2014 release of Voiceover LTE (VoLTE).	Release voicemail-to-text product in 2014 in conjunction with launch of Voice over LTE (VoLTE) product.
Influence implementation of federal accessibility law.	Actively participated in rulemakings and workshops working with FCC and disability groups.	Continue working with stakeholders as the final stages of the federal accessibility law are implemented.
Expand the library of video-described movies available for FiOS TV.	Became the first video service provider to include first-run video-described movies on the video-on-demand menu.	Expand the library of video-described movie offerings.
Introduce audio features in FiOS TV Interactive Media Guide in 2Q 2013.	This product remains in development.	Evaluate the audio features product for inclusion in the FiOS TV Interactive Media Guide.

**SUSTAINABILITY:** We are committed to minimizing our environmental impact and to finding sustainable solutions for customers that speed the transition to a low-carbon economy.

WHAT WE SAID WE'D DO	WHAT WE DID	WHAT WE'LL DO NEXT
<p><b>Make progress on our established long-term sustainability goals:</b></p> <ul style="list-style-type: none"> <li>Reduce our carbon intensity 50% by 2020 ('09 baseline).</li> <li>Collect more than 2 million pounds of e-waste by the end of 2015.</li> <li>Expand the Verizon Green Team to 15,000 members by the end of 2014.</li> </ul>	<ul style="list-style-type: none"> <li>Recruited 13,602 Verizon Green Team members by the end of 2013.</li> <li>Nearly 1.5 million pounds of e-waste has been collected since 2010.</li> <li>Launched a wireless sustainability council to set internal sustainability goals. The council is a working group that meets monthly to track progress on goals and to share best practices.</li> </ul>	<p><b>Pursue long-term sustainability goals:</b></p> <ul style="list-style-type: none"> <li>Reduce carbon intensity 8% year over year (2014 vs. 2013).</li> <li>Implement additional on-site green energy to reach 20MW online by year-end 2014.</li> <li>Enroll 15,000 employees in our Green Team by the end of 2014.</li> <li>By the end of 2015 ensure 55% of our supplier spending will be with firms that set targets for reducing their GHG emissions.</li> <li>Collect 2 million pounds of e-waste by the end of 2015.</li> <li>Recycle 90 million pounds of Verizon assets between 2014-2016.</li> <li>Set a new goal to achieve a device recycling rate of 35% by the end of 2015.</li> </ul> <p>Launch a National Employee Device Recycling event.</p> <p>Earn additional LEED certification for retail stores, with the goal of 225 stores certified by the end of 2015.</p> <p>Pursue ENERGY STAR certification at all eligible Verizon retail stores.</p> <p>Conduct environmental assessments on 50% of the vendors who supply us with mobile device accessories.</p> <p>Compile data on the environmental impact of packaging for smartphones, tablets, basic phones, jetpacks, connected devices and home service devices.</p> <p>Continue to report the use of recycled paper content or paper content from responsible sources for all Verizon-branded accessory packaging.</p> <p>Reduce the environmental impact of packaging for prepaid mobile devices by 10%; label all this packaging with internationally recognized symbols to promote recycling; ensure finishes on these packaging elements contain less than 10% VOC (volatile organic compound); include a measure of the amount of recycled or certified paper products in the packaging and inbox collateral.</p> <p>Include Eco Specs data on all wireless devices sold online.</p> <p>Evaluate the entire wireless device portfolio for UL environmental certification.</p>
<p>Implement 10MW of green energy by 2014.</p>	<p>By year-end 12.4MW of fuel cells and solar were implemented, with another 2.6MW near completion.</p>	
<p>Expand energy usage reporting to include a major Scope 3 category, business travel.</p>	<p>Completed. Energy usage data for 2013 includes business travel.</p>	
<p>Establish systems 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 GHG emissions.</p>	<p>By year-end, more than 50% of our supplier spending was with firms that have established public goals to reduce GHG emissions.</p>	
<p>Modify all Verizon-branded accessory packaging to only use content that is recycled or comes from responsible sources by 2013.</p>	<p>Modified all Verizon-branded accessory packaging to only use paper content that is recycled or comes from responsible sources. Reduced packaging volume size up to as much as 91%. All inks used for this packaging are now soy- based.</p>	
<p>Increase the device recycling rate* to 33% by the end of 2015.</p> <p>* % devices collected per devices sold/upgraded.</p>	<p>Achieved a 31% device recycling rate by year-end.</p>	
<p>Formalize water savings strategy, implementation plan and success measurements.</p>	<p>Continued partnership with Environmental Defense Fund Climate Corps to build a program to reduce water usage in buildings. Projects will be evaluated by financial and environmental impact.</p>	

## COMPANY PROFILE

INVESTING IN OUR COMMUNITIES (\$ IN BILLIONS)			
	2011	2012	2013
Capital investment	\$16.2	\$ 16.2	<b>\$16.6</b>
Cash paid for income tax and other taxes paid	\$4.0	\$ 3.4	<b>\$3.8</b>
Salaries and wages	\$15.4	\$ 14.6	<b>\$15.3</b>
Purchases from diverse suppliers	\$3.8	\$ 5.3	<b>\$6.3</b>
Cash dividends paid to shareowners	\$5.6	\$ 5.2	<b>\$5.9</b>
Pension and other retirement payments	\$4.3	\$ 4.5	<b>\$3.3</b>

2013 FINANCIALS AND OPERATING STATISTICS	
Consolidated revenues	\$120.6 billion
Net income attributable to Verizon	\$11.5 billion
Operating cash flow	\$38.8 billion
Capital investment	\$16.6 billion
Declared dividends per share	\$2.09
Reported diluted earnings per share	\$4.00
VERIZON WIRELESS	
Revenues	\$81.0 billion
Retail connections	102.8 million
VERIZON WIRELINE	
Revenues	\$39.2 billion
FiOS video subscribers	5.3 million
FiOS Internet subscribers	6.1 million
Broadband connections	9.0 million
Total voice connections	21.1 million
Global IP network presence	2,700+ cities in 150+ countries
Data centers	200+ in 24 countries

## 2013 EMPLOYEE PROFILE

ETHNIC GROUPS	TOTAL WORKFORCE (2013)		TOTAL WORKFORCE (2012)		2010 TOTAL U.S. LABOR FORCE
American Indian/Alaskan Native	822	0.5%	883	0.5%	0.7%
Asian	9,867	6.0%	9,519	5.6%	6.6%
Native Hawaiian/Pacific Islander	493	0.3%	559	0.3%	0.2%
Black/African American	31,573	19.2%	32,807	19.3%	10.8%
Hispanic/Latino	17,431	10.6%	17,765	10.4%	14.2%
Two Races or More	2,960	1.8%	2,884	1.7%	1.9%
White	101,297	61.6%	105,745	62.1%	65.7%
<b>TOTAL U.S.</b>	<b>164,443</b>		<b>170,162</b>		<b>100.0%</b>
<b>INTERNATIONAL</b>	<b>12,357</b>		<b>13,238</b>		
<b>TOTAL WORLDWIDE</b>	<b>176,800</b>		<b>183,400</b>		

### BY GENDER (U.S.)

Female	61,831	37.6%	65,172	38.3%	47.3%
Male	102,612	62.4%	104,990	61.7%	52.7%
<b>TOTAL U.S.</b>	<b>164,443</b>		<b>170,162</b>		

### BY GENDER (WORLDWIDE)

Female	64,673	36.6%	68,309	37.2%
Male	112,127	63.4%	115,091	62.8%
<b>TOTAL WORLDWIDE</b>	<b>176,800</b>		<b>183,400</b>	

PEOPLE OF COLOR REPRESENT 27% OF U.S. SENIOR MANAGEMENT (VICE PRESIDENT AND ABOVE)

WOMEN REPRESENT 29% OF U.S. SENIOR MANAGEMENT (VICE PRESIDENT AND ABOVE)



## AWARDS AND HONORS

### Corporate Citizenship



*Fortune* magazine ranked Verizon No. 1 in the telecommunications sector of the publication's [2013 list of the World's Most Admired Companies](#). Verizon received the top ranking in four out of nine reputation categories: innovation, social responsibility, quality of management and quality of products/services. This is the second consecutive year Verizon has received the top ranking, and the third time in four years.



Verizon was named to *CR Magazine's* 100 Best Corporate Citizens list for 2013 for the sixth consecutive year.



Verizon earned a top 10 ranking in *Military Times* "[Best for Vets 2013](#)" 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 2013](#), in recognition of the company's military recruiting and hiring practices.



In 2013, *Military Spouse* magazine ranked Verizon among the Top 20 military spouse-friendly companies for recruitment, retention policies and programs.



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

## Diversity/Workplace/Innovation



Verizon was ranked No. 1 on [Training Magazine's 2013 "Training Top 125."](#) This is the second straight year we topped this list of companies recognized for having the best training and development programs for employees. As a result of ranking in the top 10 for four consecutive years, Verizon was inducted into Training Magazine's Hall of Fame.



For the 13th consecutive year, Verizon was named to [Working Mother magazine's 2013 list of the "100 Best Companies for Working Mothers."](#) Working Mother in 2013 also ranked us in the Top 10 among the best companies for multicultural women, the eighth consecutive year we've received this honor.



Our continued efforts to create a diverse workforce and an inclusive work environment have again earned Verizon a ranking on the [DiversityInc 2013 list of "Top 50 Companies for Diversity."](#)



Verizon was No. 1 on [Diversity MBA Magazine's "50 Out Front" 2013 list](#) of best companies for diverse managers.



Verizon scored a perfect 100 on the [Human Rights Campaign 2013 Corporate Equality Index](#) (CEI), which evaluates employment policies and practices supporting equality for the LGBT (Lesbian, Gay, Bisexual and Transgender) community.



For the fourth consecutive year, Verizon was named one of the [Top 20 "Best Companies for Leaders" by Chief Executive magazine.](#)



For the 11th year in a row, Verizon Wireless was recognized as one of the top workplaces for Information Technology professionals, placing 15th on [Computerworld's "100 Best Places to Work in IT 2013."](#)



Verizon Wireless was recognized by the Computerworld Honors Program as a [2013 Honors Laureate in the Economic Development](#) category for LTE in Rural America (LRA). The program honors organizations for the innovative use or development of IT to create, enable, improve or expand business and job opportunities.

## Environmental/Social/Governance

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Verizon was recognized by the GreenBiz Group and Trucost on the groups' first-ever [\*Natural Capital Leaders Index\*](#), a measure of companies that have "reduced their absolute (environmental) impacts at the same time that they have increased their revenue."

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Verizon was named as an [\*ENERGY STAR Partner of the Year in 2013\*](#) — the first and only wireless company to win this award.

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Verizon is included on the following socially responsible investment lists: Calvert Equity Income Fund, FTSE4Good, Maplecroft Climate Innovation Index and Vigeo ESI Excellence Global Index.

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