

Remarks of Kathryn C. Brown
Boston College Center for Corporate Citizenship
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Thank you...and hello everyone. I want to thank you, Peggy, for the invitation to speak today and Chris for your long friendship with Verizon and for what I think has been a terrific conference.

Listening to the speakers and to you all over the two days, some things just spring to mind. And one of the phrases that keeps going through my head is, "It was the worst of times; it was the best of times..."

How is it that in the worst year for business in three decades, when our companies have been under such strain, that there can be such energy in this room?

And how is it that the year after consumers were stung by Wall Street's disastrous mismanagement of their money, can the Edelman Trust Barometer show that consumer confidence in corporate America going up?

What is it about us—and about the companies we work for—that makes us optimistic that the worst is behind us, that Spring has brought the promise of real rebirth in America, and that we have turned away from the shock and the confusion of the last year and back to the business of growing again?

I think it's because we have all faced the abyss, and then we walked back from it and we rediscovered our core, shared values—as a society, as a political body and as corporate citizens.

I just put our Verizon's sixth annual corporate responsibility report to bed. The book is off to the printer right now. And, to be honest, I started the project this year a little downcast. It's been stressful in corporate America and I didn't really know what story it was that I wanted to tell. But, the numbers don't lie and they told the story themselves. Every indicator, every metric that we use to measure the execution of our corporate responsibility commitments was up. How could that be? How did that happen?

In transmitting the report to our CEO, this is what I wrote in the email, "This (the fact that everything was up) is a reflection of the deep, core values that illuminate Verizon and its employees and the steady, committed leadership of our senior management."

I believe this is the reason. Like all of you, Verizon has had to pull in its belt...had to make some very difficult hard business decisions over this last year...and we, too, had to recover from a very bad winter of investor discontent.

I suspect that many of you in this room could tell the same story. Our companies have shown their stuff. Indeed, Boston College's own report, "Weathering the Storm," showed that a majority of U.S. companies had not pulled back on their corporate responsibility commitments. Indeed, 10 percent were actually doing more. I said to myself, "Corporate America really does have soul!"

In that same report the majority of business leaders surveyed said that they believed that corporate responsibility is even more important because of the recession. We have, indeed, demonstrated that our collective value system is one that we share with our customers and with our fellow citizens.

I thought I would take a moment to reflect on this notion of core, shared values. What are they?

I remember taking some exception to what Jim Collins wrote in his book, *Good to Great*. *Not* to his proposition that *all* great companies possess core values, but rather to his conclusion that it didn't matter *which* values were embraced by the company.

My thinking is more aligned with Harvard Business School professor Lynn Sharp Paine. In her book, *Value Shift* – if you haven't read it I really recommend it – she describes the necessity of a mature corporate conscience for sustainability *and* for profit making. Her description of a corporate compass, to me, is key. In her view, an internal, corporate compass leads the way for success in a very complex society. And that compass must be informed by the same code that drives our civil society or it will fail.

At Verizon we say we value integrity, respect, personal accountability and performance excellence. We say that these values are *core* to who we are. So, I got to thinking what makes a value "core" and what does that mean?

You will indulge me for a moment with some musings from my Catholic upbringing. I'm here at Boston College after all. We all learned about the seven deadly sins and the seven virtues that we ought to live by. Where did those come from in human thought? Where did that list of things that one should avoid and one should do come from?

Well, the "blessed" Wikipedia took me to the Book of Proverbs. And I just wanted to read this passage to you. The Book of Proverbs says:

“Six things that the Lord hateth
and the seventh that his soul despised:

A proud look;
A lying tongue;
Hands that shed innocent blood;

A heart that devises wicked plots;
Feet that are swift to run to mischief;
A deceitful witness that utters lies; and the seventh:
Him that sows discord among his brethren.”

A pretty good list, wouldn't you say? It seems to me that this list precedes the advent of the major religions in the world and that it's actually about how to establish a civil society.

So I think maybe that's core.

Corporate citizens, like all citizens, have rights and responsibilities to the society in which they operate. This is where, I believe, that public policy in a democracy and corporate citizenship meet each other. We shape each other. And beyond the civil compact that we enter into, the corporation must have a set of core values that keep the enterprise steady even when other institutions are shaky.

Take for example, 2009. Confidence in all of our major institutions is at an all-time historic low; but confidence in corporate America—believe it or not—is rebounding faster than in other areas.

This is heady stuff and probably not the conversation that our executives were having over the last couple of months as they worked through the turbulence of the financial crisis. And yet, I would dare say, that the companies in this room found their way. Their compass worked.

And, that's where we come in. The corporate responsibility professionals in this room help their business make *explicit* what is *implicit*. We bring focus to the core values we say we believe in and a discipline in executing on them. We serve as interpreters between the demands of the business and demands of our legitimate stakeholders and we help to find the path to success for both. It's our job to help set structure for all of this; to make it part of *how* we do business.

This is how I look at corporate responsibility. It's how I look at what I do and what my team does.

At Verizon, we have organized our efforts into three categories. I'll say them first, and then I'll come back and fill in a little bit.

First, keeping our own house in order;

Second, demonstrating how these technologies that we deploy really can be used to transform the world and people's lives.

And third, guarding against what I'll call the unsafe side effects of your good efforts. So, let me explain.

On keeping our own house in order... This starts with doing things the right way—ethical behavior. And we're drilled at Verizon on what our Code of Conduct is and what is expected of us in various business situations. We have these online training courses that we are required to complete periodically – you probably all do. The point is that we keep “ethical behavior” front and center...it's never far away...every few months we're reminded of the issues...and tasked to see how good our compass is.

Another key part of keeping our own house in order is empowering employees. I loved the talk this morning about diversity. We have a very diverse workforce at Verizon; a lot of different people of different ages and geographies and backgrounds and we need to be on our toes around how all of it works together. On this score, I believe we do terrific work at Verizon. Our commitment to diversity is unparalleled. We're always among the leaders on those diversity surveys and polls because it's important to us.

It also means, however, that we to work at ensuring every voice is heard and that every voice is important. That, after all, is what diversity means. So, career development is what we do.

We've done a lot of work this year on the health disparities among employees. I think that those of you who have done some reading this year know that there are huge racial health disparities. It turns out that that happens no matter the socio-economic level of people. So we've concentrated on ways to close the gap.

Then, of course, there are the work-family balance issues. We are very much dedicated to providing the flexibility for people to succeed at work and at home. Juggling the demands of work and family is tough...but if you look at our line-up of benefits, I believe you'll find Verizon “gets it”.

In the area of sustainability, we've put in five solid years of work to move forward on this front. We've always been good at things like recycling, conserving resources and reducing our own energy consumption—but we really wanted to be good.

This year we've taken some big steps. We have a new chief sustainability officer; we have people devoted to managing sustainability issues on the policy side and keeping current on what's really happening in the world—again where policy and performance come together. And there is a new group inside our business charged with reducing the energy consumption of our operations and to make sure that when we put devices out into the world we are thinking about the whole life cycle of those devices.

Think about what the wireless world has brought us: amazing mobility, amazing ability to connect and also lots of devices that could present an environment problem when they're discarded. We've given this enormous attention this year and I think you'll see as this year evolves that we'll take a real leadership role.

So that's around keeping our own house in order. Let me talk about how these technologies that we deploy are being used to make life better.

Something that we think about all the time is how can we use these amazing technologies to address the big social challenges? How can we use this mobility, all of this computing power that we carry around with us in our hands to make our communities better places to live and work.

Our FiOS network, for instance, is capable of carrying 100 megabits to our home. Could this be the level of connectivity that will finally deliver health care to the home? Could this be configured in a way to alert folks who are forgetful that it's time to take their pills? Could you create an application to ride on this network that could read a diabetic patient's blood level and send it instantly back to the computer so we can see and monitor her health during the day?

The answer is "yes" to all those questions. And we're working with partners across the country on projects like these to demonstrate why digital technology really is the new tie that binds society together.

And it's not just in health care. In the education area, we contributed another \$30 million to our online education site called Thinkfinity.org. It is an amazing resource for teachers, parents and after-school caregivers. It provides online, at your fingertips, standardized, grade-level plans, interactive kinds of educational activities. It's easily the best online educational resource...and it's free.

By the way, the board of the Verizon Foundation—which is made up of our top leaders—didn't cut a dime from the Foundation budget this year. They stayed rock-solid with us on the commitments we have made to expand Thinkfinity.org and to the other things we are doing inside the Foundation.

One last note on using our technology to make life better... You may know that Verizon Wireless has been a real leader in the area of domestic violence prevention. Our leaders recognized very early on that a mobile phone could be a life line for victims of domestic violence.

The idea of having a phone in your pocket for protection is pretty powerful. And it has grown to incorporate the environmental aspect. Through our HopeLine program we encourage people to bring in the cell phones they no longer use. The devices we get which are still useful are refurbished and then we donate them to domestic violence centers.

Next month we will be sponsoring a major presentation on PBS of a film that was put together at Penn State. They put together an amazing film which was meant to be a training film for folks working at domestic violence prevention agencies. It's a story of how a protective romance ended in tragedy.

It is a very powerful film. And it's made more powerful for us because the woman was our employee. The film will air on May 18, and I believe it will be a major event for the domestic violence community and for everyone who takes watches.

Let me finish up by making a few points on the third area of Verizon's approach to corporate responsibility—guarding against what I'll call the unsafe side effects.

Just like food is good, obesity is not. Just like drugs are life-saving, too many can bring on sickness or even worse. So, too, there are unintended side effects with technology.

I'll give you an example. Child predation issues online...kids getting involved in social networking venues without their parents' knowledge...visiting web sites that are clearly out of bounds.

We've taken up this issue and embraced the notion that we have to get out there and do our part in educating parents, educating teachers and helping law enforcement so that we have a civil society on the Net.

Similarly, with our wireless devices... those kids that we talked about this morning, they have devices and they are texting at all times. And texting behind the wheel can be deadly. So we have embraced our responsibility to combat distracted driving. I hope you've seen we've got these big road signs dotting the countryside—"Please Don't Text and Drive"—so our customers can get the message about using these mobile technologies safely.

These are the three areas that we focus and concentrate—keeping our own house in order, finding new ways for our technologies to make lives better, and recognizing and then doing our part to help overcome the unintended consequences. And in addition in everything else we do, we bring to the table this notion of our core values.

We prioritize, we manage and we execute on an annual plan for corporate responsibility with the full engagement of our senior management. We report to our CEO twice a year and to our board once a year.

On our corporate responsibility council sits our general counsel, our executive vice president for policy, the head of our wireless company, the head marketing person for our Telcom, the representative from the CFO's office. It is really the top of the company. We meet three times a year. The policies are set. The work groups are formed and headed by people who get the work done and those reports come back to the council for completion.

And in our corporate responsibility report that you will see shortly, we have a section on what we said we're going to do, what we did and what we're going to do next year. That really reflects the annual prioritization of what it is we're trying to do each year.

We don't pretend to get it all right all the time. We don't pretend to have everything done. But we do think we're making progress and we do think we're focusing hard.

Our CEO, Ivan Seidenberg, says, "Approach Corporate Responsibility the way you do anything else in this business: with focus, with goals and with clear results." And we're very proud that that's what's going on inside of our company.

I hope all of you leave here today with a lot of pride in what your companies are doing right now and in what you are doing and the work you are doing.

I think you should have great hope—we should have great hope—that this ship is turning around, that the economy is getting better and that the businesses we work for are going to be a real force for growth and for renewal for our country. I think that in this country it's all about putting our shoulders to the wheel and working with all our heart for what we believe in.

And I believe we can accomplish that through the work we do in the businesses we work for. And that keeping our eye on that ball and keeping ourselves dedicated to that purpose really illuminates our work and should make us feel very good.

So, I think we should celebrate a little bit more and then let's get back and do our jobs.

Thank you very much.