

Focusing On Our Priorities



At Verizon, we bring our commitment to execution and operational excellence to everything we do, including corporate responsibility.

Our disciplined process focuses on understanding what matters to stakeholders and how they are affected by our decisions, setting clear objectives and measuring our progress.

The result is a record of turning goals into concrete achievements and an expanding circle of shared success for our employees, customers and communities.

OUR PRIORITY	WHAT WE SAID WE'D DO
<p>ETHICS & GOVERNANCE</p> <p>Integrity is at the core of who we are. We are committed to translating that value into ethical business practices, governance systems and training programs that infuse integrity into our dealings with customers, suppliers, owners and competitors.</p>	<ul style="list-style-type: none"> ■ Develop enhanced consumer privacy notifications describing advertising practices. ■ Implement updated Code of Conduct and train all Verizon employees in their responsibilities to manage our business responsibly, ethically and lawfully. ■ Achieve 100% participation among Verizon managers selected for compliance training, including segments covering: <ul style="list-style-type: none"> • Foreign Corrupt Practices Act. • Embargo and Anti-Boycott Issues. • Export Controls. • Protecting Customer Data.



FTSE4Good

Verizon is included on a number of socially responsible investment indices, including the FTSE4Good Index, which list leading companies as measured by governance, social and environmental performance.

NOTABLE ACHIEVEMENTS 2004–10

- Enhanced our Supplier Code of Conduct to promote ethical standards worldwide.
- Adopted a Human Rights Statement.
- Provided transparency about our political spending by posting contributions online.
- Appointed a Corporate Responsibility Officer and created a Corporate Responsibility Executive Council.
- Established annual performance targets in priority areas; regularly report results.
- Engaged stakeholders on societal issues beyond industry specific issues, e.g., Sustainability Roundtable, Consumer Advisory Board.
- Developed guiding principles for content on Verizon networks.
- Earned recognition for Verizon's sustainability performance from socially responsible investing groups.

WHAT WE DID



All Verizon employees are trained to manage our business ethically and lawfully.

- Enhanced our ads that appear on websites which use behavioral advertising techniques. On those ads, we placed an icon/link (“AdChoices”) that enables consumers to opt out from this advertising, learn more about it, or read Verizon’s privacy policy.
- Completed the rollout of the updated Code of Conduct. Trained all employees in the company on their responsibilities to manage our business ethically and lawfully.
- Achieved 100% participation from Verizon managers selected for compliance training.
- Received first-ever placement on the NASDAQ Sustainability Index, a listing of publicly traded companies leading in sustainability performance reporting.
- Conducted a broad poll of consumers, opinion leaders and employees to understand their perceptions of Verizon’s corporate citizenship, identify areas for improvement and establish a benchmark to measure progress (see page 58).

WHAT WE’LL DO

- Update the content of our privacy policy, providing additional information to consumers about Verizon’s advertising practices.
- Poll managers in the company to identify any real or potential conflicts of interest.
- Boost recognition of Verizon’s performance as a good corporate citizen among socially responsible investing firms.
- Conduct follow-up poll to the 2010 reputation study to gauge progress with key stakeholders.

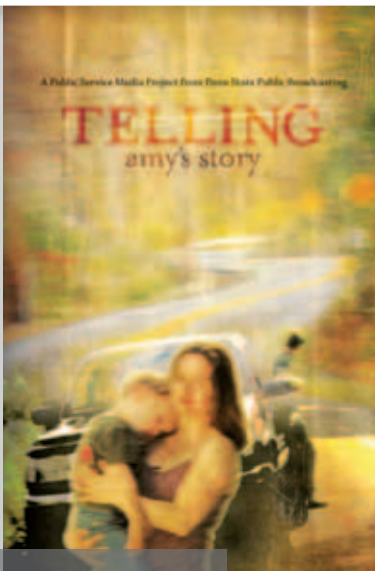
OUR PRIORITY

PARTNERING WITH COMMUNITIES

We use our financial, human and technological resources to make our communities better and address social issues such as education, domestic violence prevention and family safety where our technology can make a positive difference.

WHAT WE SAID WE'D DO

- Broaden the reach and utility of Thinkfinity by:
 - Increasing usage by 20%
 - Integrating social networking into the website
 - Training 45,000 educators
 - Increasing by 20% the number of schools with a Thinkfinity-trained educator
 - Expanding after-school programs to 12 new sites.
- Help keep families safer by conducting a nationwide campaign to raise awareness of domestic violence, its prevention and where people can get help.
- Increase the number of employee volunteers and total hours volunteered by 10%.
- Increase spending with diverse suppliers by approximately 4%.



NOTABLE ACHIEVEMENTS 2004–10

- Invested nearly \$490 million via the Verizon Foundation in our communities.
- Established an endowment at the University of Kentucky to study domestic violence and funded training programs to protect women from domestic violence on campuses and at work.
- Helped produce "Telling Amy's Story," the PBS film about the murder of a Verizon employee by her abusive husband.

- Developed Thinkfinity; trained nearly 100,000 teachers on how to use it.
- Spent more than \$20.5 billion with diverse suppliers.
- Verizon employees volunteered nearly 4.2 million hours in their communities, approximately 480 years of service.

This Verizon-sponsored documentary about a domestic violence tragedy has aired on 296 PBS stations.

WHAT WE DID



Students at the St. Philips Academy in Newark, New Jersey are enthusiastic users of Verizon Thinkfinity.

- **Thinkfinity results:**
 - Increased traffic by 36% (4.6 million visits), attracting 22% more visitors (3.3 million total visitors).
 - Established Thinkfinity Community social network, enrolling 14,500 members.
 - Trained 42,100 educators, increasing the number of schools with a Thinkfinity-trained educator by 27% (1,732 schools).
 - Expanded Thinkfinity after-school program to 25 new sites.
- **Employees accounted for 733,806 volunteer hours, up 4.4% from 2009.**
- **Increased spending with diverse suppliers by 1.6% to approximately \$3.8 billion.**
- **Domestic violence prevention campaign results:**
 - Funded production of “Telling Amy’s Story” documentary which aired on 296 PBS stations.
 - Conducted 60 community screenings of the film along with 87 employee events.
 - Distributed 7,000+ DVDs of the film to individuals and groups across the country.
- **Invested \$66.8 million via the Verizon Foundation to support:**
 - Education & Literacy: \$33M
 - Volunteerism: \$14.6M
 - Civic/Community: \$8.7M
 - Domestic Violence Prevention: \$6.2M
 - Health Care & Accessibility: \$2.6M
 - Internet Safety: \$1.7M

WHAT WE’LL DO

- **Raise awareness of domestic violence issues among men and teens by reaching 500,000 men and 125,000 teens.**
- **Expand outreach of *Telling Amy’s Story* documentary.**
- **Create new local employee volunteer councils to spur greater involvement.**
- **Conduct research on effectiveness of technology in higher education.**
- **Promote Thinkfinity as a solution for improving primary and secondary education.**

OUR PRIORITY

EMPOWERING EMPLOYEES

Our workplace programs focus on building a diverse, skilled and empowered workforce that can help us compete in a technologically complex industry and on providing employees the tools to balance their work and family lives.

WHAT WE SAID WE'D DO

- Raise awareness of gaps in health care for people of color and women through communications and on-site programs.
- Continue encouraging employees to improve their work skills and “own” their careers by investing in employee training and development.
- Continue driving our performance and values-based culture, and measure employee engagement.
- Launch a new company-wide employee Intranet site to communicate business priorities and simplify access to work tools.
- Continue collaborating with the CWA/IBEW to bring about meaningful improvements in health care and implement the Patient Protection and Affordable Care Act.



Verizon provides 43 on-site Health & Wellness Centers nationwide.

NOTABLE ACHIEVEMENTS 2004–10

- Ranked annually among the corporate elite for diversity performance and training programs.
- Invested more than \$500 million in tuition reimbursement for employees.
- Engaged employees to “be well” by actively encouraging screenings, early detection, managing chronic conditions, healthy eating, exercise and no tobacco use.

- Expanded lineup of employee benefits, e.g., annual discretionary match for savings plan, Future Moms program, Verizon HealthZone resources, emergency military-leave policy.
- Consistently recognized on Training magazine’s Training Top 125 list (No. 3 in 2011).

WHAT WE DID



The leaders behind the consistent quality of Verizon's learning and development programs are from left, Martha Delehanty, Alan Gardner, Connia Nelson, Al Torres, Lou Tedrick and Magda Yrizary.

- Partnered with our health care provider (Anthem) in reaching out to more than 81,000 female employees and their family members to highlight racial and ethnic disparities in breast cancer screenings and outcomes and to encourage early detection.
- Invested \$297 million in training and development, including \$114 million in tuition assistance.
- Administered a worldwide employee survey; 23 of the 30 survey items earned a favorability score of 70% or higher (see page 31).
- Launched the "VZWeb" portal, improving access to business strategy communications and commonly used resources.
- Collaborated with the CWA/IBEW to educate policymakers on the impact of health care reform on people in their "bridge years" (ages 55–65) and to sponsor research on addressing health care costs.
- Established a new review process to evaluate the safety and environmental performance of our contractors.

WHAT WE'LL DO

- Target key locations that have a concentration of diverse employees for on-site preventive care and early detection initiatives.
- Advance legislative initiatives that focus on cost containment and accelerated deployment of health information technology, patient safety and evidence-based medical practices.
- Launch a company-wide "Career" website to increase Verizon's reach to emerging college talent.

OUR PRIORITY

PROTECTING THE ENVIRONMENT

Our commitment to sustainability means minimizing our own environmental footprint by conserving energy and recycling. More broadly, we are actively engaged in finding new ways to use broadband and mobile technologies to solve environmental challenges and show the way to a less carbon-intensive economy.



The LG Cosmos Touch is just one of an expanding suite of "green" products and devices we launched in 2010.

WHAT WE SAID WE'D DO

- Increase the number of alternative fuel vehicles in our fleet to more than 1,800.
- Set short-term and long-term carbon emissions targets for Verizon.
- Examine Verizon's water consumption "footprint" and develop appropriate recommendations for any needed conservation measures.
- Engage with our suppliers to perform lifecycle environmental assessments of consumer devices.
- Work with our suppliers to create more energy-efficient set-top boxes.
- Earn LEED certification (Leadership in Energy and Environmental Design) from the U.S. Green Building Council for 50 of our retail stores.

NOTABLE ACHIEVEMENTS 2004–10

- Converted 5% of our fleet—more than 1,900 vehicles—to alternative-fuel vehicles.
- Appointed a Verizon Chief Sustainability Officer.
- Established an internal energy efficiency metric; set targets.
- Implemented alternative energy initiatives, e.g., fuel cell sites, solar power.
- Built a roster of green products, e.g., FiOS set-top boxes, mobile devices and accessories.
- Engaged suppliers in reducing environmental impact of their products via Sustainability Scorecard.
- Encouraged more than 2 million residential customers to switch to paperless billing.
- Collected more than 6 million no-longer-used mobile phones via HopeLine.
- Established standards in 2008 that require new network equipment purchases to be at least 20% more energy efficient. We were the first telecom company in North America to implement such standards.

WHAT WE DID



By 2015, 15% of our fleet will be alternative-fuel vehicles such as this “worksite hybrid.” The lithium ion batteries on this vehicle power the lift, air conditioning and all other utility features.

- Deployed an additional 1,642 alternative fuel vehicles, bringing the total to more than 1,900—5% of the fleet.
- Developed a new carbon-intensity measure based upon the ratio of carbon emissions to the amount of data moved across our networks.
- Developed a profile of how we use water at four of our major facilities and identified conservation opportunities.
- Engaged our top 18 vendors in our Green Supplier Program to identify and address opportunities to improve the sustainability of our product lifecycles.
- Teamed with Cisco and Motorola to introduce two eco-friendly set-top boxes for FiOS customers.
- Launched three “green” mobile devices (Samsung Intensity II, LG Cosmos Touch and Motorola CITRUS) along with a lineup of “green” accessories.
- Earned LEED certification for 32 Verizon buildings.
- Enrolled more than 1,500 employees in 17 countries in the “Verizon Green Team.”
- Converted more than 325,000 residential customer accounts to paper-free billing.

WHAT WE’LL DO

- Improve carbon-intensity efficiency year-over-year by 15% in 2011.
- Increase the percentage of alternative-fuel vehicles in the fleet toward our target of 15% by 2015.
- Expand the Green Supplier Program to our top 200 vendors.
- Implement our energy efficiency standards programs at 75% of our facilities with 200 or more people.
- Expand Verizon Green Team membership to 5,000 employees.
- Develop an Energy Efficiency & Security position statement.
- Expand the “smart building” program to a total of 250 facilities.
- Test water conservation measures at major facilities in drought-prone regions during 2011–12.

OUR PRIORITY

SERVICE & INNOVATION

We continue to push the envelope in using broadband and wireless technologies to empower individuals and find creative solutions to big issues like better health care, online safety and economic development.

WHAT WE SAID WE'D DO

- Establish an Assistive Technology call center for Verizon Wireless customers that will be operational by 2011.
- Launch the next generation of accessible wireless devices for seniors.
- Address the product/service needs of veterans and returning servicemen and servicewomen.
- Establish a partnership with National Braille Press to develop a wireless book reader in 2011.
- Develop content rating guidance for wireless applications in collaboration with CTIA—the Wireless Association.



NOTABLE ACHIEVEMENTS 2004–10

- Launched a line of mobile devices for seniors, e.g., Haven, Coupe and Knack.
- Launched TALKS™, a technology that converts displayed text into speech on cell phones for customers who are blind or visually impaired.
- Created Verizon Medical Data Exchange, which enables sharing of digitized clinical documents between health care providers.
- Launched a range of programs to encourage the safe use of technology, e.g., online safety outreach, parental controls tools, preventing distracted driving, cybercrime research.
- Created new market opportunities for our products by emphasizing how our services facilitate a low-carbon economy, e.g., Smart Grid Connect, Connected Home, video-conferencing and telework.

By making better use of scarce medical resources, broadband technologies can help expand access and reduce the cost of quality health care in America.

WHAT WE DID



We've launched new services specially designed for members of the military on deployment.

- On track for future launch of an Assistive Technology call center for our wireless customers.
- Introduced the Haven mobile device, which serves seniors and people with varying degrees of disability.
- Launched services for veterans and members of the military that reroute messages during deployment and retain text and e-mails during handset deactivation.
- On track to launch a service by the end of 2011 that downloads Braille books on a Verizon wireless device.
- Led the industry in developing voluntary rating guidelines for applications downloaded on mobile devices.
- Led corporate America in supporting the 21st Century Communications and Video Accessibility Act, which will improve access to communications, television and the Internet for disabled people.
- Introduced the Verizon Medical Data Exchange and demonstrated a telemedicine system that utilizes 4G wireless in remote health care (see page 38).
- Issued free medical identity credentials to 2.3 million physicians to speed the sharing of electronic data.

WHAT WE'LL DO

- Partner with insurance companies to incorporate responsible cell phone usage while driving in driver training programs.
- Introduce a menu of applications for tablets and handsets that enhance accessibility.
- Launch products that change voice mail to text and that offer a personal emergency response system.
- Work with federal lawmakers and disability advocates to shape implementation rules for the new accessibility law.
- Release a new version of the FiOS TV interactive media guide that will offer menu customization, easier navigation and audio feedback.