

# 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

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*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.

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

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Verizon earned a top 10 ranking in *Military Times* "[Best for Vets 2013](#)" list for our long-standing support of military personnel.

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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.

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

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

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## 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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