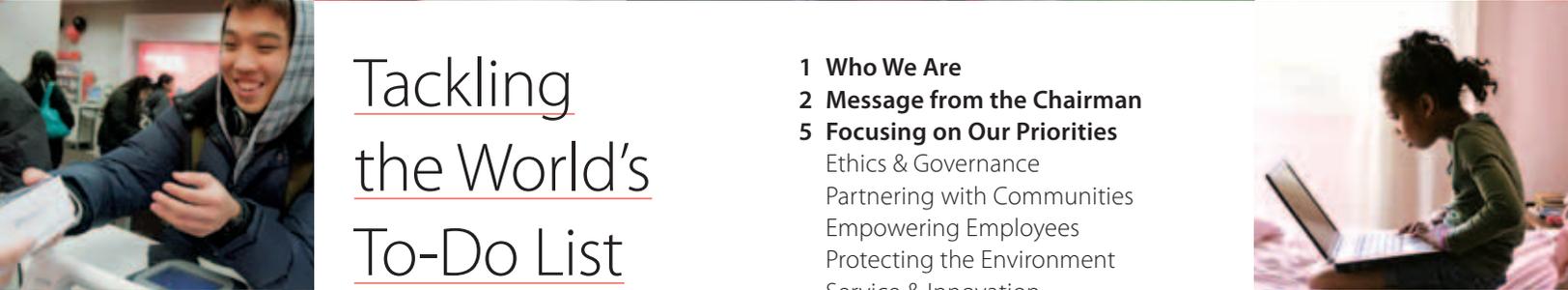




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Verizon Communications

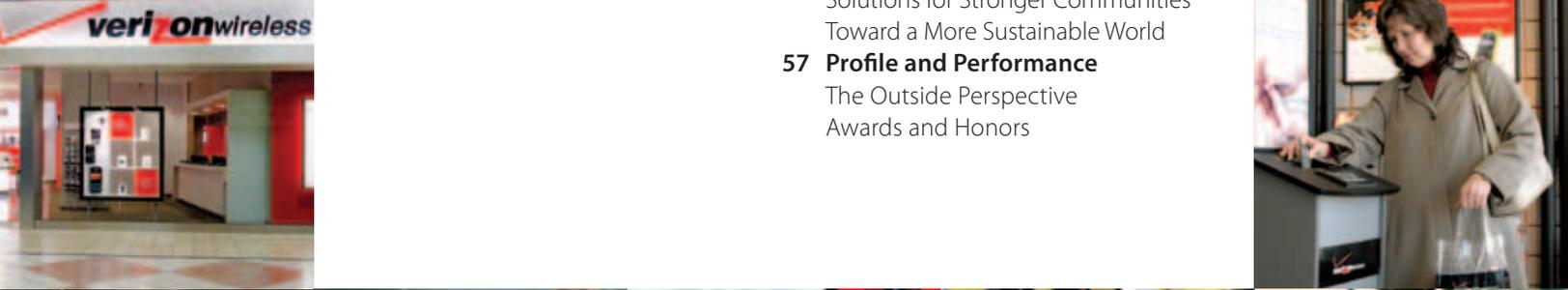
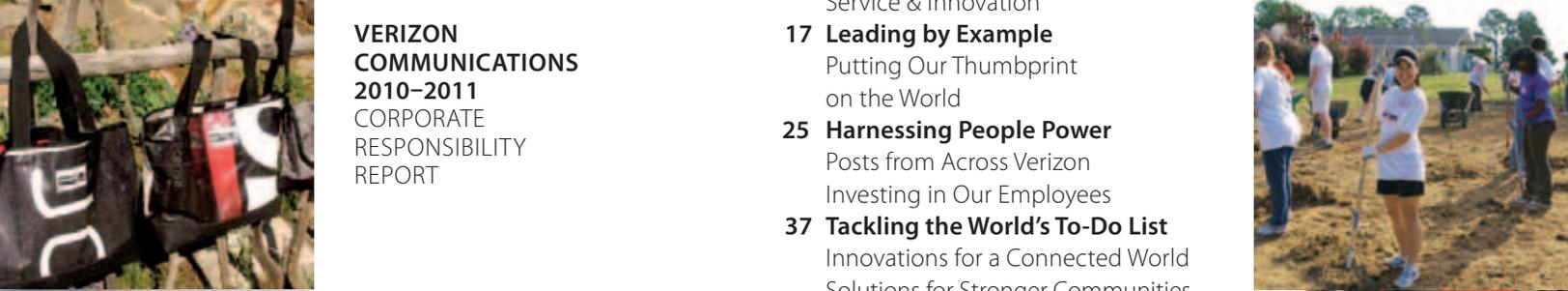
CORPORATE RESPONSIBILITY REPORT



# Tackling the World's To-Do List

**VERIZON  
COMMUNICATIONS  
2010-2011  
CORPORATE  
RESPONSIBILITY  
REPORT**

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# Who --- We Are

**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

# Message from the Chairman

*Smart networks will help spread collaboration and innovation on a global scale, Chairman and CEO Ivan Seidenberg said in his keynote address at the 2011 International Consumer Electronics Show.*



We are pleased to present Verizon's 2010–11 Corporate Responsibility Report, "Tackling the World's To-Do List." You will see in these pages the progress we've made over the past year in the areas that define our approach to corporate responsibility and meet just a few of the thousands of Verizon people who give life and meaning to these priorities. The actions in this report reflect Verizon's steady, concerted efforts to use technology to address some of our society's most urgent issues.

More broadly, they are the latest steps in our continuing journey to expand the area of intersection between Verizon's business interests and those of society as a whole.

Officially, this journey began in 2004 with the launch of our formal corporate responsibility initiative, but the impulse to have a positive impact on society has animated our company across its more

than 125-year history. Communications is by definition a deeply social enterprise, and the belief that what we do—connect people and communities, provide great products and services, and invest in innovative technology that fuels commerce and drives growth—is inherently valuable lies at the heart of our company's mission.

Our approach to corporate responsibility derives from this fundamental belief, which gives it integrity and connects it to what we do in the marketplace every day. With that legacy as our starting point, we built a disciplined process for creating a values-based culture and channeling those impulses into actions that produce measurable benefits to society.

Our top priority—then and now—is to make sure we run our own company right. Therefore, our first action was to codify the values by which all our employees live and implement an extensive ethics and compliance program to reinforce

that culture throughout Verizon. Over the years we have extended our values system through a supplier code of conduct and employee Credo to guide our global interactions. We work hard to create a safe, stimulating and diverse work environment that allows employees to reach their full potential. In keeping with our long tradition of volunteerism, we encourage our people to contribute their time and money to our communities, which they have done in amazing numbers—volunteering nearly 4.2 million hours since 2004, the equivalent of nearly 480 years of service. We also focus on being good stewards of our own resources, setting aggressive energy efficiency targets for ourselves and our suppliers, developing green products and technologies, recycling products and taking active measures to reduce our own environmental impact.

Next, we needed to build the right system for organizing our corporate responsibility efforts and holding ourselves accountable for results:

- We established a Corporate Responsibility Council—led by two senior officers, overseen by the board of directors and populated by leaders from across the business—to set priorities, performance targets and measurements.
- We also created a Consumer Advisory Board and Strategic Alliances program to maintain a constant dialogue with our stakeholders and act as an early warning system for emerging issues and customer concerns.

- Most recently, we established Verizon's first formal sustainability program under the leadership of a chief sustainability officer.

With the systems in place to give us good inputs and market intelligence, developing the priorities for our corporate responsibility efforts came naturally. We instinctively believed that the Internet would transform education and developed an online learning resource called **Thinkfinity** that has become one of the most trusted educational sites on the Internet. Our wireless employees felt strongly that mobile technology could empower women to escape the scourge of domestic violence and created our signature program, **HopeLine**®, to raise resources and awareness of this issue. Our customers tell us they're concerned about issues of privacy and safety when it comes to the use of technology, motivating us to provide parental controls, take the lead in preventing distracted driving, educate communities about online safety and do groundbreaking research in cybercrime. And our business focus on increasing broadband availability led naturally to our commitment to accessibility, which has resulted in an increasing number of products tailored for seniors and people with physical challenges.

We continue to expand our view of how to use our technology to deliver both business and social value. As mobile and broadband technologies permeate every dimension of modern life, we are constantly exploring business opportunities that leverage these transformational technologies for social purposes. Already, we're working with

utility companies to create smart grids that maximize energy efficiency. We're working with partners in our innovation labs on new products and applications for home energy management, remote health care monitoring, video conferencing and accessible products.

You'll learn about these and many more accomplishments in this report. Our process works because it's connected to the core of what we do. Communications technology really does solve problems for people and for society. Our consistent and disciplined approach keeps us focused on results, holds us accountable for meeting our commitments and assures that our actions live up to our words. Most important, our people really do believe in the value of our work, a commitment that spans every level of our company.

I am confident that my successor, Lowell McAdam, will bring fresh energy and new ideas to our corporate responsibility initiatives when I retire as Verizon's chief executive officer and chairman later this year. Lowell's thumbprint on our culture is already evident in the Verizon Credo, which we introduced company-wide in 2011 and which you can read on page one of this book. In it, we reinforce our belief that building long-term business and social value is at the heart of what we do: *"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."* I know Lowell will challenge the next generation of Verizon leaders to find a "higher gear"—to use one of his favorite phrases—when it comes to putting our technology to work for society.

At Verizon, we have spent the last 10 years building a foundation for success in the wireless and broadband era. We've invested in technology, expanded our innovative capacity and sharpened our skills, maintaining that focus on investment, innovation and execution through good times and bad in our quest for long-term value creation. In the process, we've changed our own growth trajectory and created new opportunities across the whole industry. And while we're a different company than we were a decade ago—more high-tech, more mobile, more global—we have built our success on a culture of integrity and fundamental values that have united our company throughout its history.

I am proud to have had the opportunity to work with the thousands of Verizon colleagues who have made corporate responsibility a dynamic force at our company. With their passion for service and their can-do spirit, they have inspired and challenged me every day of my career. Together, we have built a solid foundation for creating value that will generate expanding returns for our communities as well as our customers. The more deeply embedded technology becomes in our society, the more these opportunities to create shared success will grow.

I can't wait to see what happens next.



**Ivan Seidenberg**  
Chairman and Chief Executive Officer  
Verizon



*A connected world brings new opportunity as well as new risks, like cyberbullying and data theft. That's why we offer online safety tools for families and advanced encryption for businesses and government.*

# 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><b>ETHICS &amp; GOVERNANCE</b></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"> <li>■ Develop enhanced consumer privacy notifications describing advertising practices.</li> <li>■ Implement updated Code of Conduct and train all Verizon employees in their responsibilities to manage our business responsibly, ethically and lawfully.</li> <li>■ Achieve 100% participation among Verizon managers selected for compliance training, including segments covering:               <ul style="list-style-type: none"> <li>• Foreign Corrupt Practices Act.</li> <li>• Embargo and Anti-Boycott Issues.</li> <li>• Export Controls.</li> <li>• Protecting Customer Data.</li> </ul> </li> </ul>



**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.

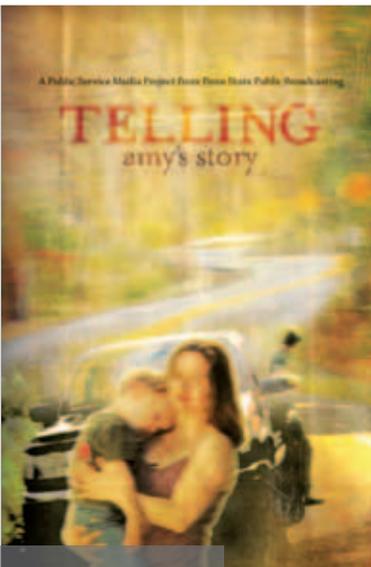
## OUR PRIORITY

### 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

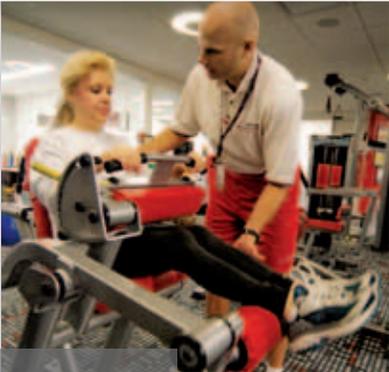


*Students at the St. Philips Academy in Newark, New Jersey are enthusiastic users of Verizon Thinkfinity.*

- **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	WHAT WE SAID WE'D DO
<p><b>EMPOWERING EMPLOYEES</b></p> <p>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.</p>	<ul style="list-style-type: none"> <li>■ Raise awareness of gaps in health care for people of color and women through communications and on-site programs.</li> <li>■ Continue encouraging employees to improve their work skills and “own” their careers by investing in employee training and development.</li> <li>■ Continue driving our performance and values-based culture, and measure employee engagement.</li> <li>■ Launch a new company-wide employee Intranet site to communicate business priorities and simplify access to work tools.</li> <li>■ Continue collaborating with the CWA/IBEW to bring about meaningful improvements in health care and implement the Patient Protection and Affordable Care Act.</li> </ul>
 <p><i>Verizon provides 43 on-site Health &amp; Wellness Centers nationwide.</i></p>	<p><b>NOTABLE ACHIEVEMENTS 2004–10</b></p> <ul style="list-style-type: none"> <li>■ Ranked annually among the corporate elite for diversity performance and training programs.</li> <li>■ Invested more than \$500 million in tuition reimbursement for employees.</li> <li>■ Engaged employees to “be well” by actively encouraging screenings, early detection, managing chronic conditions, healthy eating, exercise and no tobacco use.</li> <li>■ Expanded lineup of employee benefits, e.g., annual discretionary match for savings plan, Future Moms program, Verizon HealthZone resources, emergency military-leave policy.</li> <li>■ Consistently recognized on Training magazine’s Training Top 125 list (No. 3 in 2011).</li> </ul>

## 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.*

### 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.

## 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.
- 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

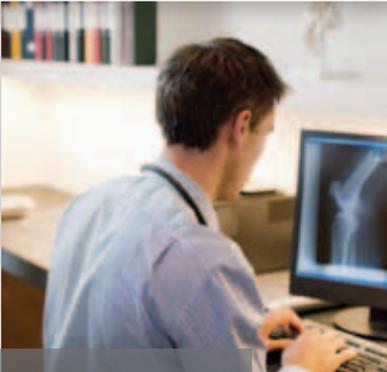
- Improve carbon-intensity efficiency year-over-year by 15% in 2011.
- Increase the percentage of alternative-fuel vehicles in the fleet toward our target of 15% by 2015.
- Expand the Green Supplier Program to our top 200 vendors.
- Implement our energy efficiency standards programs at 75% of our facilities 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	WHAT WE SAID WE'D DO
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## 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.

- 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.



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

## 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.

## 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.



*Students from New York and New Jersey got a personal lesson in leadership from Chairman and Chief Executive Officer Ivan Seidenberg at a mentoring session during Verizon's 2010 Employee Resource Group Conference.*

# Leading by Example

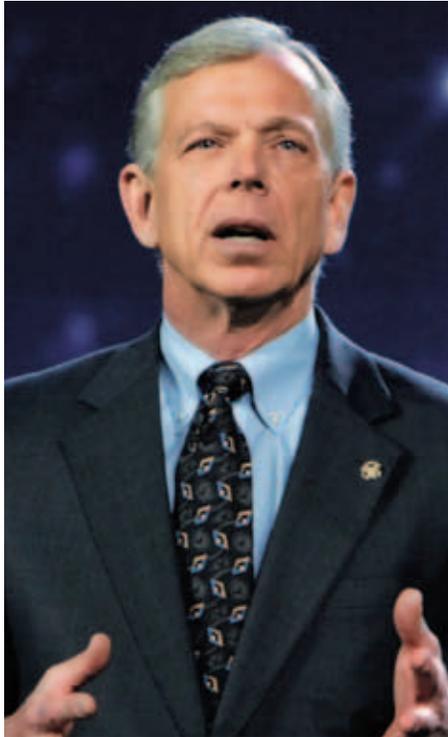


"[Leadership] is a privilege, and it's personal. You need to be visible. You need to go to the problems. You need to question, communicate, take down barriers, do the work."

IVAN SEIDENBERG, Chairman & Chief Executive Officer

# Putting Our Thumbprint on the World

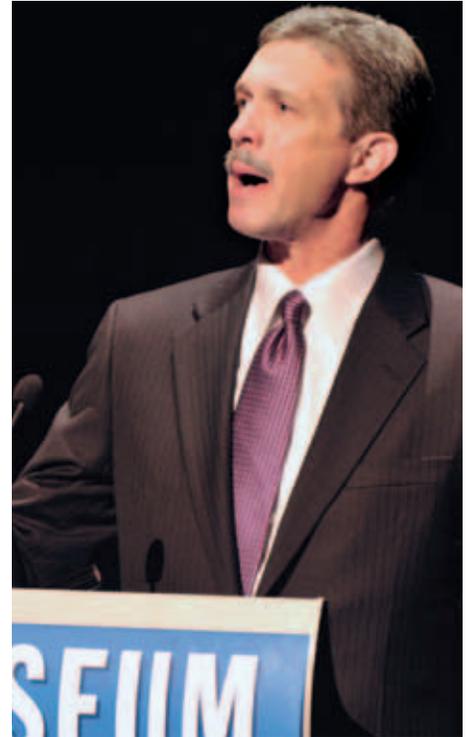
Every day, Verizon people follow their passion and invest their talents to make a positive impression on our communities—and for us, that leadership model starts at the top.



2011 International CES

## Lowell McAdam, President & Chief Operating Officer, Verizon

Lowell has applied his passion for engineering in two community endeavors: helping young people explore careers in technology fields as a volunteer with the National Academy Foundation (NAF) and encouraging engineering students at Cornell University to address large-scale sustainability challenges. Lowell serves on the board of NAF, which has established specialized academies in public schools and underserved areas in 41 states. At Cornell, Lowell helped develop graduate fellowships at the College of Engineering to test new ideas in smart grids, fleet management and geothermal cooling.



## Dan Mead, President & Chief Executive Officer, Verizon Wireless

Dan is a strong advocate for breaking the cycle of domestic violence in America. He has helped lead the development of a number of programs to support victims: text-to-donate campaigns, the #HOPE system, an endowed chair for domestic violence prevention at the University of Kentucky and training programs to protect women on college campuses and in the workplace. He also spearheaded the making of *Telling Amy's Story*, the riveting PBS film about the murder of a Verizon employee by her abusive husband (see page 42).



**Judy Spitz, Chief Information Officer,  
Verizon Business and Wholesale**

Inspiring young women to find careers in science, technology, engineering and math is at the heart of Judy's role in the annual Global Marathon for Women in Engineering and Technology. For each of the last four years, Judy has led Verizon's participation and helped develop the programming for the 24-hour online event, which extends to young women around the world.



**Patrick Gaston, former President,  
Verizon Foundation**

The Haitian-born Verizon executive joined the Clinton Bush Haiti Fund as an executive-in-residence in January 2011. Patrick's mission for the next year is to lead a broad outreach program to promote recovery, job growth and economic opportunity in the country following the catastrophic 2010 earthquake. Patrick's efforts on behalf of Haiti follow his seven years leading the Verizon Foundation where he directed approximately \$500 million in philanthropic investments and was the architect of Verizon's education technology initiative, Thinkfinity.



*We updated our Code of Conduct in 2010 and trained all employees on the new content.*

## Promoting Responsibility Everywhere We Serve

- All employees were trained on revised content in the Verizon Code of Conduct.<sup>1</sup> An updated Code was released in 2010 with revised guidelines on gifts and entertainment, Internet practices and rules on conflicts of interest that apply to employees' activities outside of Verizon. The revisions also reflected updates to our privacy policy and new guidelines for maintaining integrity and fairness in the sales process.
- Verizon strives to promote a mutually beneficial business relationship with its suppliers based on the highest

standards of ethical conduct. Our Supplier Code of Conduct<sup>2</sup> outlines Verizon's expectations of its vendors to conduct business with integrity and respect.

- With our global reach and extensive supply chain, it is imperative that we conduct business responsibly and with the highest ethical standards, maintaining our reputation for trust and responsibility wherever we operate.

<sup>1</sup> <https://www22.verizon.com/about/careers/codeofconduct.html>  
<sup>2</sup> <http://www.verizon.com/ethics>

## Verizon Human Rights Statement

Verizon is committed to promoting the human rights values<sup>3</sup> embedded in our Commitment & Values and Code of Conduct. We strive to create an environment of respect, integrity and fairness for our employees and customers wherever we do business, and we expect that our business partners will operate the same way.

We respect the broad principles in the UN Universal Declaration of Human Rights,<sup>4</sup> 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.

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.

<sup>3</sup> <http://responsibility.verizon.com/home/approach/human-rights/>  
<sup>4</sup> <http://www.un.org/en/documents/udhr/index.shtml>

### Ensuring Accountability

Verizon established a Corporate Responsibility Executive Council in 2007 to manage corporate responsibility activities across the company.

- The council establishes benchmarks and goals, assigns and enforces accountability and tracks results for corporate responsibility initiatives in five working committees: Accessible Products & Services, Environmental Sustainability, Online Safety, Wireless Safety and Reputation Risk & Assessment.
- The council reports directly to Verizon's chairman and chief executive officer and is overseen by the Corporate Governance and Policy Committee of the Verizon Board of Directors. The council is co-chaired by Virginia Ruesterholz, president of Verizon Services Operations and Thomas Tauke, executive vice president of Public Affairs, Policy & Communications and includes senior leaders from all operating units and several corporate officers.

### Managing Ethics & Compliance

Verizon provides a robust lineup of resources to help employees raise questions or concerns and get information about ethical matters, policies, procedures and applicable laws. The resources are:

- An Ethics and EEO Guideline that is available 24-hours-a-day.<sup>5</sup> Individuals can contact the service anonymously if they wish. Issues are handled quickly and discreetly.

## Connecting to the Broader Resources of the World

In 2010, we helped organize a first-ever symposium to find ways to equip East African universities—like Uganda Martyrs University, pictured here—with the tools of the Internet age.

The arrival of undersea cables to the shores of this region presents an opportunity to build out a national backbone infrastructure. Discussions were held in Kampala in June 2010 focusing on deployment of high-speed Internet access and the e-readiness of the more than 70 institutions in the region.



- A Security Control Center which employees can reach 24-hours-a-day<sup>6</sup> to report or inquire about issues ranging from international cybersecurity and legal compliance to replacing a lost company ID.
- A reporting/inquiry channel for people to register accounting complaints or questions.<sup>7</sup>
- Environmental and Safety Hotlines for reporting emergencies, arranging for waste disposal or getting on-site help from the company's environmental and safety specialists.

<sup>5</sup> 800-856-1885 and [www.verizonguideline.com](http://www.verizonguideline.com)

<sup>6</sup> 800-997-3287

<sup>7</sup> [AccountingComplaints@verizon.com](mailto:AccountingComplaints@verizon.com)

*Through our new Sustainability Roundtable, Verizon engages in a constant dialogue with environmental stakeholders to keep us alert to new issues, hone our strategies and give us an open window on community concerns.*

## Engaging Our Stakeholders

It is essential for us to have open, continual dialogue with the wide range of people—consumers, seniors, educators, elected officials, law enforcement, minorities, rural constituents, veterans and others—who are important to our business. We take their opinions and feedback seriously, and we use these opportunities to view ourselves and our decisions from the outside in.

- Our long-standing Consumer Advisory Board, which is made up of leading advocates from across the country and meets three times a year,

provides us an unfiltered view of business and social issues.

- To supplement face-to-face meetings with our stakeholders, we generate discussion through our website and social media. We respond to hundreds of e-mails from readers on a variety of topics via our Corporate Responsibility website.<sup>8</sup>
- We publish an external Responsibility Blog,<sup>9</sup> where members of our corporate responsibility team and leaders across the business express their views on social, educational and environmental issues. In 2010, we expanded our participation in social media channels to include Twitter.
- As part of our stakeholder outreach, we created Consumer and Sustainability Roundtables in 2010 to educate consumers and environmental groups on our strategies and to solicit their recommendations.



## Managing Political Contributions

We owe it to our shareowners, employees and customers to advocate public policies that will enable us to compete fairly and freely in the marketplace. Political contributions are one way we support the democratic electoral process and participate in the policy dialogue.

- Verizon is affected by a wide variety of government policies—from telecommunications regulation to

<sup>8</sup> <http://responsibility.verizon.com>

<sup>9</sup> <http://responsibility.verizon.com/blog>



taxation to health care and more—that have an enormous impact on the business climate in which we operate. Our employees have established political action committees (PACs) at the federal level and in 25 states. These PACs allow employees to pool their resources to support candidates for office who generally support the public policies our employees advocate.

- All our PAC and corporate political contributions are posted on Verizon’s corporate responsibility website.<sup>10</sup> We update this voluntary disclosure twice a year.

- 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. 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.

*Verizon’s political contributions are posted online and updated twice a year.*

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<sup>10</sup> <http://responsibility.verizon.com/home/information/politicalcontributions/>



*Sowing seeds and strengthening a community's roots, Suzanne Tran and the rest of the Verizon "Green Team" in Irving, Texas planted two vegetable gardens in nearby Grapevine in the fall of 2010.*

# Harnessing

# People

# Power



Verizon is known for its networks and innovation, but it's the people behind our technology who make us great. Thanks to the passion and energy of our nearly 195,000 employees, Verizon continues to be known as a company that stands for something larger than itself.

# Posts from Across Verizon

Being a visible, contributing member of the community is deeply embedded in our culture. Here are just a few of the ways our people are putting our values into action.



"I joined the Community of Mayors, an organization that provides recreational therapy for kids with special needs. We have a great time with the kids participating in special outings to amusement parks and museums.

"We especially enjoyed participating in Operation Santa Claus at JFK Airport. The program hosted more than 4,000 kids with special needs who were served lunch and refreshments, received toys and greeted Macy's Santa Claus."

**DALIA SANTIAGO**  
*Drafter, Outside Plant Engineering,  
Brooklyn, New York*



"I have served with Semper Fi No. 1 Memorial Honor Detail for 11 years and have volunteered more than 1,800 hours. I am also serving my fifth two-year term on the Board of Directors.

"The Detail is made up of a group of former active-duty U.S. Marines who provide full military honors in uniform at Riverside National Cemetery in Riverside, California.

"Our team started with 12 members back in 1997 and has grown to more than 75. We have provided military honors for more than 1,600 veterans."

**RANDY MCGARVEY**  
*Building Services Tech,  
Yucaipa, California*



"I recently volunteered time in Haiti to assist with the earthquake relief. What an experience.

"As I reflect back on the trip, the most pronounced thought was of the many children who visited each day. Amidst the severe poverty, the children still acted like children. They played on the mountains of dirt on the construction site . . . and they would shout to get your attention just to talk with you . . . (and even if they only spoke Creole and we only English, we all understood."

**FRANK JACKSON**  
 Manager, Solutions Development,  
 Cary, North Carolina

## Making Every Hour Count

Verizon's philanthropic contributions in our communities are small compared to what employees contribute. They are among the most generous individuals anywhere.

In 2010, they volunteered nearly 734,000 hours to thousands of nonprofits and groups here and abroad that had an enormously positive effect on local issues.

Verizon makes it easy for employees to contribute. Our Volunteer Incentive Program awards employees who volunteer 50 hours a year with a qualifying nonprofit a \$750 grant for that organization. And all kinds of volunteer work counts, such as serving on the PTA, mentoring, helping out at school or coaching youth athletics.

### Employee Hours Volunteered Per Year

 = 100,000 HOURS

2008



2009



2010



# Investing in Our Employees

At Verizon, we strive for a workplace that offers challenging work, the opportunity to build a great career, progressive health and benefit programs and an environment that respects and cultivates diversity.

## **Building a Great Career**

Our long-standing career development programs reach all levels of employees, ranging from tailored education programs to self-paced online training programs and informal mentoring.

- In 2010, nearly 32,000 employees participated in the Tuition Assistance Program, which pays up to \$8,000 per year for studies in an employee's job-related field.
- Verizon's training investment for 2010 totaled \$297 million, and employees completed nearly 9.8 million hours of training—about 47 hours per employee. Over the past three years, employees have completed nearly 33 million hours of training.
- Our training resources include more than 14,000 individual course titles available via online, classroom and other formats.

## 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

## Verizon Tuition Assistance Programs

	PARTICIPANTS	EXPENDITURES (\$ IN MILLIONS)
2008	29,100	\$101*
2009	31,985	\$107*
2010	31,741	\$114

\*Prior year totals were revised to reflect updated actuals.

## Employee Training

(AVERAGE ANNUAL TRAINING HOURS PER EMPLOYEE)



2008

48.4\*



2009

51.7\*



2010

47.8

\*Prior year totals were revised to reflect updated actuals.



- Managers are expected to meet with their employees and complete year-end performance reviews. Managers are also encouraged to review goals and assess performance at mid-year.
- Employees can foster professional and personal growth through 10 employee resource groups (see full list on page 28). Employees organize and manage the groups, which provide networking, mentoring, special initiatives, seminars and conferences for members.

*Employees attending Verizon's Employee Resource Group conference in 2010 included (sitting, l-r) Chiara DeLeonibus, Patrick Lespinasse, Jacqueline Crews, Anthony Lewis and Deb Ott; (standing, l-r) David Richards, Robert Zeas, Rene Herrera, Cesar Brea, Trinidad Aguirre and Phyllis Obie.*

## Verizon Employee Survey Results

(% FAVORABLE RESPONSES)

93% I AM ACCOUNTABLE FOR MY INDIVIDUAL RESULTS & TEAM'S PERFORMANCE

91% I DEMONSTRATE OUR VALUES/CREDO THROUGH MY PERFORMANCE EVERY DAY

79% I AM PROUD TO WORK FOR VERIZON

79% THE COMPANY RECOGNIZES AND RESPECTS THE VALUE OF INCLUSION

78% INTEGRITY IS AT THE CORE OF WHO WE ARE

72% VERIZON IS A PLACE I WOULD RECOMMEND FOR EMPLOYMENT

68% THERE IS GOOD COOPERATION BETWEEN MY TEAM AND OTHER WORKGROUPS

52% MY WORKGROUP IS MAKING THE CHANGES NECESSARY TO SIMPLIFY PROCESSES AND ELIMINATE BUREAUCRACY

*Verizon Business and Wholesale CIO Judy Spitz tells IT employees what it takes to prepare themselves for leadership in this meeting of the Information Systems Orientation Program.*



## Engaging and Communicating

Verizon's success depends on all employees staying informed about the challenges and opportunities facing the company, understanding how their work contributes to business success and knowing we have an open door policy so they can express a view or an idea to anyone in the company.

- There are many channels for employees that enable direct and candid communication up and down our organization. The major ones are:
  - Annual and mid-year performance reviews.
  - Regular "town hall" meetings and operations reviews led by senior executives and managers.
  - Quarterly broadcasts conducted by the chairman and the chief operating officer to discuss results and unit performance. The sessions are web-cast across the company. Senior executives conduct companion webcasts each quarter that focus on departmental performance.
  - Employee opinion surveys, which are conducted every two years, and "Pulse" polls held several times a year.
  - Formal feedback programs (e.g., My NetWork online forums and blogs, Report a Service issue) that facilitate discussion and idea sharing.
  - A broad lineup of web-based tools including an Intranet site (MyVZWeb), a video studio (VZTV), e-newsletters that cover corporate-wide information (VZToday), workplace and wellness issues (About You) as well as specific line-of-business news.



- In 2010, we surveyed all Verizon employees. Over 100,000 responded. We were pleased with our continued strong performance in key areas related to integrity, respect and overall reputation.
  - Verizon significantly outperformed global telecom benchmarks on key culture/values, pay and benefits, corporate citizenship and overall satisfaction.
  - Employees cited teamwork, simplifying processes and eliminating bureaucracy as the greatest opportunities to improve the work environment.
  - Twenty-three out of 30 survey items scored 70% or higher favorability. Based on comparable industry standards, we consider a favorability score of 70% or higher an organizational strength.

*To encourage communication up and down the organization, we conduct employee opinion surveys every two years.*



*Verizon's Employee Assistance Program provides resources for dealing with personal problems and challenges related to parenting and child care, adult care, health and wellness and many other life issues.*

## **Balancing Work and Life**

Verizon is committed to fostering a culture where we look for ways to provide people with the flexibility and resources to be effective at home and work.

- Verizon provides a variety of flexible work programs—including informal telecommuting and flextime—as appropriate to the demands of our global business environment.
- To address the special needs of new parents, Verizon provides a Gradual Return to Work Program for employees returning from childbirth or child adoption leaves. Employees return to work on a reduced work schedule and

maintain full and complete coverage for all Verizon benefits.

- Verizon reimburses employees for adoption expenses such as legal fees and travel, up to \$10,000 for each child adopted.
- Several discount programs offer employees reduced pricing on cars, insurance, electronic devices, apparel, banking, travel and various home and offices services.
- To help make paying for college a little easier, the Verizon Foundation's Scholarship Program provides eligible children of Verizon employees with the opportunity to receive \$5,000 annually toward college expenses. Each scholarship is renewable for three years and has a total value of \$20,000. Recipients are selected based on financial need, academic achievement and extra-curricular activities.

## **Encouraging Safety and Wellness**

Our focus on wellness and safety helps employees enjoy a better quality of life and contribute to Verizon's success. Employees who are physically fit and work safely can be more productive.

- In 2010, Verizon provided health care benefits of \$3.6 billion, covering nearly 800,000 employees, retirees and their dependents. Verizon's emphasis is to empower people to "Be Well and Work Well," encouraging preventive screenings, early detection, chronic condition management, healthy eating, exercise and no tobacco use.

■ Verizon provides preventive and early detection services at the worksite to encourage employees to be proactive about their health.

- More than 18,000 employees received a flu shot and nearly 300 women received mammography screenings in 2010.
- We also introduced a “Know Your Numbers” campaign and offered convenient biometric screening services to test for cholesterol, triglycerides, blood sugar, blood pressure and body mass index; plus, a complete with full reporting for employees to share with their doctors. More than 7,800 employees voluntarily completed the screenings and received personalized recommendations for follow-up actions.

■ To encourage employees to be physically active, Verizon provides 43 on-site Health & Wellness Centers nationwide that are available to employees for \$15 per month. In Verizon locations without a wellness center, employees have access to discounted membership at over 2,000 health clubs nationwide.

■ Expectant mothers have access to the Future Moms program, which provides maternity counseling, health education and benefits management. If a pregnant mom is considered at high-risk, she can work with a primary nurse coach, who is supported by pharmacists, registered dietitians, social workers and medical directors to coordinate the best care for a healthy delivery and post-delivery care.

■ Verizon is committed to providing a safe workplace for all employees.

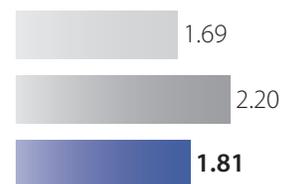
- In 2010 the number of occupational injury and illness incidents and motor vehicle incidents decreased approximately 25% and 17%, respectively, resulting in significant improvements in safety performance measures (see table at right).
- Our Occupational Injuries & Illnesses Rate for U.S. operations (1.81) and Lost Workday Rate (0.97) were ahead of the Bureau of Labor Statistics’ telecommunications industry standards of 2.40 and 1.10, respectively.
- We implemented a contractor review process to evaluate the safety and environmental performance of our contractors. Only those contractors who can demonstrate acceptable safety and environmental performance are considered to work for Verizon.
- Verizon has implemented an electronic Enterprise Safety System (ESS) across the company. ESS enables centralized incident reporting and tracking of safety meetings, observations, equipment checks, facility inspections and performance metrics.
- We were saddened to have one work-related fatality in 2010. Any loss of life is unacceptable, and we continue to press for nothing less than consistent improvement in all key safety measures.

## Verizon Safety Update

■ 2008 ■ 2009 ■ 2010

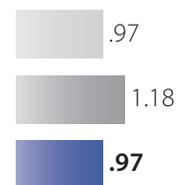
### Occupational Injuries & Illnesses Rate

(per 100 employees)



### Lost Workday Rate

(per 100 employees)

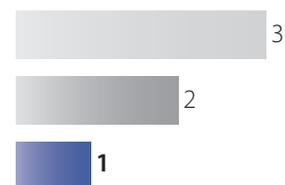


### Motor Vehicle Incident Rate

(per 100 vehicles)



### Employee Fatalities



*Verizon's efforts to address the gaps in health care for people of color was recognized in 2010 by the National Business Group on Health (NBGH). Accepting the honor from NBGH President Helen Darling (left) is Verizon's Audrietta Izlar.*



## Celebrating Who We Are

At Verizon, diversity means recognizing what we all share in common, embracing differences and promoting an inclusive organization that values a wide range of perspectives. Our diversity enables us to better understand the needs of our customers, suppliers and communities. It's smart business and it's the right thing to do.

- Verizon is committed to attracting, developing and retaining a highly qualified, diverse and dedicated workforce. It is our policy to comply

fully with all laws, providing equal opportunity to all persons without regard to race, color, religion, gender, sexual orientation, age, national origin, disability, military status, veteran status, marital status, citizenship status or any other protected category under applicable law.

- For company business, Verizon will use facilities, sponsor events or maintain memberships only at businesses or organizations that do not have exclusionary membership practices.
- We measure our progress with diversity like any other business objective. Executives are accountable for promoting diversity within their organizations.
- Verizon mentoring and development programs include the Black Managers Leadership Development Workshop, Hispanic Managers Leadership Development Workshop and the Women's Leadership Workshop to help employees succeed in the workplace.
- Verizon's Diversity Leadership Institute helps diverse employees, including minorities and women, sharpen leadership skills as well as identify and achieve career goals. All participants are considered top talent and are provided the opportunity to network with Verizon executives.



*Verizon's support for the military goes deep, especially for employees who have been called to active duty. One of these employees, Denny Thibault (third from left), helped present a Verizon Wireless donation to his Georgia-based National Guard unit. Joining him were (from left) Verizon's Jeff Mango and Gordon Cook, 1st Sergeant (ret.) Randy Hardin, Brigadier General (ret.) Bill Wigley and Captain Geoffrey Miller.*

### **Our Support for the Military**

Since 2001 more than 1,000 Verizon employees have been called to active duty in the military and National Guard. Many have served in Afghanistan and Iraq, while others have played crucial roles during the aftermath of Hurricanes Katrina and Rita. Some 109 employees are currently on emergency military leave.

Verizon is proud to support these employees and the military with a range of benefits and programs:

- For employees who are called to active military duty, Verizon pays the difference between the employee's military pay and Verizon pay for up to 36 months. We also continue medical, dental and group life insurance for those employees and their dependents. Service and pension credits continue for the entire leave.
- For leaves of 90 days or less, employees generally will be reinstated to the same job. Those on leave for more than 90 days generally will be reinstated to a similar job if the same job is not available.
- The Verizon Foundation has enlisted 38 Verizon employees to serve as mentors to military veterans via the American Corporate Partners group. Computers and adaptive technology have been provided to severely disabled veterans.
- In October 2010, Verizon was one of 16 U.S. companies that joined the Army Spouse Employment Partnership, pledging to increase employment opportunities for Army spouses.
- Verizon is the major sponsor of the USO Lounges at the Washington, D.C., and Baltimore airports. Visiting service men and women can call anywhere in the world for free while at these lounges. Through the USO's United Through Reading program, troops deploying from Baltimore Washington International Airport can record themselves reading a book and have the DVD sent to their children.
- Some 50 employees from Verizon's Legal Department are providing pro-bono work in support of veterans, representing veterans for disability benefits and providing legal services to injured service members or veterans eligible for Combat-Related Special Compensation.



*America's kids, schools and teachers deserve every resource we can offer them. That's why we've invested \$33 million in education technology initiatives such as Thinkfinity—a free website that provides thousands of educational resources for teachers, parents and students.*

# Tackling the World's To-Do List



We believe broadband and wireless technologies can transform lives and solve problems in new ways—and the more deeply embedded technology becomes in our society, the more these opportunities to create shared success will grow.

At Verizon, we are constantly innovating and exploring to apply our resources to the practical concerns of our society such as education, health care, energy and more, using our ever-expanding toolbox to tackle the world's to-do list.

We're proud to share the highlights of that work.

# Innovations for a Connected World

The next wave of broadband and wireless innovation will be the most dynamic in history. By putting our empowering technologies into peoples' hands, we will play a huge and constructive role in creating a more sustainable and equitable society.

## Solutions for Improved Health Care

To say the health care industry faces unprecedented changes would be an understatement. From shifts in demographics and technologies, to government reforms and increased expectations for care, health care organizations are confronting significant challenges.

Many of the critical steps for improved care depend on fostering collaboration and getting the right information into the right hands—when and where it's needed. We're adapting our broadband and mobile technologies to help provide new answers to some longstanding challenges in health care and accessibility.

- To accelerate the sharing of electronic data in the health care field, Verizon began issuing free medical identity

credentials in January 2011 to 2.3 million physicians and health care professionals in the U.S., enabling them to access and share patient information—e.g., records, x-rays, lab results—via electronic health exchanges, such as the Verizon Medical Data exchange.

- Verizon and BL Health care have demonstrated a telemedicine system that utilizes our 4G wireless network to create a new, more individualized level of remote health care. The new platform connects with blood pressure monitors, scales, pulse readers, glucose meters, EKGs and other medical devices, allowing doctors to remotely view the data while holding an HD videoconference with the patient.

*Doctors, patients and hospitals will be able to form a powerful new kind of network for wellness, thanks to telemedicine systems powered by our 4G wireless network, such as this one which debuted at the 2011 International Consumer Electronics Show.*



- A large hurdle to creating an effective national electronic health records system is the inability of health care providers to share the wide range and volume of clinical notes that are produced annually. Verizon's Medical Data Exchange solves that problem by providing a platform that enables medical transcription firms to share digitized clinical documents between doctors, hospitals and other health care providers nationwide.
  - Our first-of-its-kind platform uses a central directory to verify the identities of senders and recipients. To provide added security and protection, information that flows over the system is encrypted and third-party certification is required for users.
  - The system allows medical transcription firms to maintain their current IT systems and processes.
  - The Exchange was rolled out in March 2010 for free to members of the Medical Transcription Service Consortium.

### Preparing Students for Success

Today's educational process occurs on campus, off campus, around the world and around the clock. Teachers must interact with their students through a variety of communication technologies, tapping the limitless amount of information available online while collaborating and sharing information quickly and easily.

The pressure to do more with less and the sheer pace of technological innovation make it difficult for educators to sort through all of the complexity. This is where Verizon can make a difference.

We're focused on using technology to improve education, particularly in ways that help prepare students for the high-tech, intensely collaborative 21st century workplace.

- Our signature education activity is Verizon Thinkfinity—an award-winning website of free teaching and learning resources for teachers, students and parents.<sup>11</sup> The resources—which include standards-based lesson plans, videos, online activities and podcasts—are geared for K–12 classrooms and afterschool programs.
- Nearly 3.5 million people visited Thinkfinity in 2010. The Verizon Foundation awarded nearly \$5 million to 11 leading education organizations which created more than 6,000 new items for Thinkfinity, including more than 1,000 new videos.
- This year also featured the launch of the Thinkfinity Community,<sup>12</sup> a social networking site for teachers and parents to discuss the latest resources and exchange ideas. In six months Thinkfinity Community attracted more than 12,500 members.
- In 2010 we trained more than 42,000 teachers on using Thinkfinity resources. Since the website was launched in 2007, we have trained nearly 100,000 teachers across the United States and established training and distribution partnerships with Departments of Education in 38 states.

<sup>11</sup> [www.thinkfinity.org](http://www.thinkfinity.org)

<sup>12</sup> <http://community.thinkfinity.org>



*More than 6,000 new educational items and 1,000 new videos were added in 2010 to Thinkfinity, our award-winning website of free teaching and learning resources.*

### Verizon 2010 Thinkfinity Key Statistics

4,598,960

Visits

3,314,767

Visitors

42,000

Educators Trained

1,700

Schools

1,186

Title 1 Schools

## Creating a Sustainable Economy

Verizon's broadband and mobile technologies are at the heart of the clean economy.

Verizon has significantly expanded its lineup of products and services that enable our customers to be more energy efficient. Among our achievements are:

- In 2010, we partnered with Cisco and Motorola to roll out more energy efficient set-top boxes for FiOS services. The new boxes use 30% less energy than their predecessors and are packaged in materials that contain up to 75% recycled cardboard and are 100% recyclable. The set-top boxes recently earned Verizon the EPA's ENERGY STAR Service Provider designation.

- We partnered with Motorola to offer the CITRUS—the world's first certified carbon-free smart phone. The CITRUS housing is made from 25% post-consumer recycled plastic, is Carbon Free® Certified and is free of plastics (PVC and BFR) that some believe could have harmful health effects. The packaging is made from 80% post-consumer recycled paper and the user manual is made using 100% recycled paper and soy-based ink.

- We have partnered with Duke Energy to provide the telecommunications network that will connect the digital meters, signs and media players that will be used in Envision: Charlotte, a public-private collaboration to make the commercial buildings in Charlotte's urban core more energy efficient.
  - Using our 4G LTE wireless network, Duke Energy will gather and aggregate energy usage data from some 70 participating buildings in Charlotte's downtown region.
  - The information will be streamed to large interactive screens so building tenants can see the nearly real-time data for the community and take actions to reduce their personal energy usage in the office.
  - The goal of the initiative is to reduce energy use by up to 20% and avoid approximately 220,000 metric tons of greenhouse gases by 2016.

- Two "green" feature phones—the Samsung Intensity II and LG Cosmos Touch—were launched in 2010 along with green accessories like "e-coustic" headsets and a charger.

*Verizon's 4G LTE wireless network will be the heart of a new project in Charlotte, North Carolina that is designed to reduce energy usage in a large section of the city by 20%.*



**ENVISION:CHARLOTTE**  
UNITING FOR A SUSTAINABLE CITY

- At the end of 2010, Verizon had contracted with more than 20 utilities to connect more than 1 million automated metering and smart grid “endpoints.”
- A Verizon “Connected Home” home energy management solution was introduced at the Consumer Electronics Show in January 2011. The service will enable customers to monitor activity via networked cameras and set, adjust and control lights, smart thermostats and appliances via smart phone, laptop or FiOS TV.
- We have invested in Consert, a company that develops software which enables utility customers to monitor and reduce their energy consumption over wireless Internet connections.
- In February 2011, we announced a partnership with eMeter to develop and deliver one of the first cloud-based meter data management solutions in the utility industry.



*The intelligence built into Verizon's network enables new home management services like remote control of thermostats and surveillance cameras.*

# Solutions for Stronger Communities

Even in an increasingly global world, Verizon's roots are profoundly local. Our nearly 195,000 people have a huge stake in fostering safe, stable and sustainable communities, not just because it's good business, but also because we're your neighbors.

This impulse to make our communities better places to live is a major driver of how we use our technical, human and financial resources.

## Stopping Domestic Violence

Domestic violence touches everyone, affecting people of all backgrounds, one in four women, and more than 3 million children. Our goal is to increase awareness of this pervasive crime, engage men and young people in the issue and lend our resources and technology to help victims and their families.

- "Telling Amy's Story" is the gripping film about the murder of a young Pennsylvania mother—and Verizon employee—by her abusive husband.

The Verizon-funded documentary about Amy McGee aired on nearly 300 PBS stations in 2010 and will continue in 2011.<sup>13</sup> Screenings have been held at more than 140 locations across the country.

- Amy McGee's story has been a catalyst to raise awareness and open discussions. A Verizon employee, Trina Murray, came forward recently with a stunning account of her domestic violence

<sup>13</sup> <http://telling.psu.edu/>

*Verizon's Hopeline program has donated more than 100,000 cell phones so domestic violence victims have a safe way to call for help.*



ordeal after watching the film.<sup>14</sup> She hopes ending her silence will spur others to “listen to their inner voice” and find help.

- Domestic violence affects millions, but sometimes a single call can make the difference between being a victim and a survivor. Verizon’s HopeLine program refurbishes used cell phones and gives them to those who might not otherwise have a way to call for help.<sup>15</sup>
  - Since 2001, Verizon HopeLine has collected more than 7.8 million phones, awarded more than \$10 million in grants to shelters and prevention programs and given nearly 106,000 cell phones and 318 million minutes of airtime to victims, survivors and organizations. The Verizon Foundation has donated more than \$21 million in support since 2007.

- At a news conference in Dallas prior to Super Bowl XLV, the Verizon Foundation and the NFL Players Association (NFLPA) announced a new partnership to engage more men in tackling the issue of domestic violence. The Verizon-NFLPA team will provide domestic violence prevention training and information to teens taking part in the association’s “Training Camp for Life” program.
  - Future plans include conducting workshops, producing public service announcements featuring NFL players and expanding the NFLPA’s “Training Camps for Life” program to other groups that engage men and teens.



*Verizon Foundation President Rose Stuckey Kirk forged a partnership with the NFL Players Association in 2011 to engage more men in preventing domestic violence.*

## Verizon Foundation 2010 Philanthropic Investments

(\$ IN MILLIONS)

	2010
Education and Literacy	\$33.0
Volunteerism (Including Matching Gifts)	\$14.6
Civic & Community Support	\$8.7
Domestic Violence Prevention	\$6.2
Health Care & Accessibility	\$2.6
Internet Safety	\$1.7
<b>Total Philanthropic Investment</b>	<b>\$66.8</b>

<sup>14</sup> <http://forums.verizon.com/t5/Responsibility-Blog/A-Journey-of-Survival-to-the-Breaking-Point-and-Beyond/ba-p/243061>

<sup>15</sup> <http://aboutus.vzw.com/communityservice/HopeLine.html>

## Verizon's Legal Team Reaches Out to Our Communities

More than 240 employee volunteers from Verizon's Legal Department participated in the company's Pro Bono Program in 2010, donating roughly 5,000 hours to help address pressing needs in the areas of education, domestic violence and support for returning veterans.

About 20% of the participants participated on more than one project, which ranged from teaching Street Law classes in high schools to representing domestic violence victims in legal proceedings and helping veterans reconnect to the work environment.

The program also sponsored several community service endeavors, including two Habitat for Humanity projects, preparing holiday gifts for a homeless shelter and a domestic violence shelter, and working at food banks in Washington, D.C., and New York City.

Joining us in the effort is our law firm partner, DLA Piper, along with the Pro Bono Institute, Corporate Pro Bono, Street Law, the DC Bar Community Economic Development Project and the Pro Bono Partnership.



*Jack Farris is one of more than 240 volunteers from Verizon's Legal group who donate their time via the Pro Bono Program to help others in the community.*

### Going to the Crisis

Verizon employees have a long history of donating time, money and expertise to assist communities in the wake of natural disasters and other crises, whether they occur around the corner or around the world.

- The Verizon Foundation activated its Disaster Relief–Matching Gifts campaign in March 2011 following the tragedy in Japan with donations going to the American Red Cross, World Vision and Save the Children. Through the end of March some 3,700 Verizon employees had pledged approximately \$442,000.
- To help Nashville residents recover from record-breaking rain and flooding in May 2010, Verizon employees set up two mobile communications stores. These special stores provided mobile devices to help people contact family and loved ones at no cost, a free battery-charging station and help for those who needed to establish new service, purchase new devices or pay bills.
- The Verizon Foundation conducted an employee disaster-relief appeal program for Haiti throughout 2010 that collected more than \$1.1 million in additional relief funds. Included in that program were \$100,000 in direct cash grants to World Vision and Food for the Poor.
- Following the severe flooding in Pakistan in 2010, the Verizon Foundation's employee disaster-relief appeal effort matched employee donations to World Vision and the American Red Cross. The combined total was nearly \$64,000.

- In response to the flooding in Australia, the Verizon Foundation granted \$30,000 to the Australian branches of the Red Cross and Salvation Army. The grants were accomplished via a special arrangement with Charities Aid Foundation America, which assisted both organizations' flood-relief efforts in Victoria and Queensland, respectively.
- Verizon conducted a national disaster-recovery exercise outside of Washington, D.C., in April 2010, simulating a catastrophe that required activation of our emergency response procedures and immediate recovery operations. Verizon's

Major Emergency Response Incident Team (MERIT) conducted additional drills during the weeklong exercise on restoring communications during incidents involving hazardous materials.

- Verizon was quick to respond to the April 2010 coal mining disaster in Montcoal, West Virginia. Within a day of the tragedy, a team of employees from Ohio, Pennsylvania and West Virginia had set up a temporary cell site in the remote location, equipped rescuers and law enforcement officers with mobile devices and established a 24-hour communications center for emergency officials.



*David Ombres was part of the Verizon Wireless team that helped emergency responders in West Virginia access wireless phones, e-mail and the Internet during the coal mining disaster there in 2010.*

## Key 2010 Grants

### **International Reading Association / National Council of Teachers**

\$1 million in grants to create new resources for ReadWriteThink,<sup>17</sup> one of the partner websites included in the Verizon Thinkfinity network.

### **ASPIRA**

\$450,000 grant to develop a national program for charter schools throughout the country that integrates Verizon Thinkfinity learning resources.

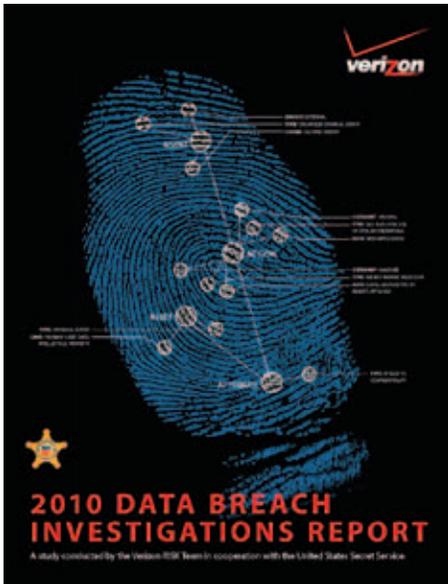
### **New York Urban League**

\$300,000 grant to provide technology skills education and workshops for students and community residents at the Technology Education Center of Harlem Renaissance High School.

### **Verizon Scholarships**

The Verizon Foundation provided more than \$3.3 million in college scholarships during the 2010–11 academic year for 675 children and dependents of company employees.

<sup>17</sup> <http://www.readwritethink.org/>



Verizon's Data Breach report provides a unique look into the prevalence of cybercrime.

## Using Technology Safely

As with any new technology, broadband and mobile technologies can pose some unintended risks for users.

- Verizon played a leading role in 2010 to develop and promote ratings guidelines for the applications that are downloaded to mobile devices. The guidelines, which will be deployed during the next 12–18 months, will provide straightforward ratings modeled on existing ratings used for movies, television and software games. Joining Verizon in developing these guidelines were Apple, Google, AT&T, T-Mobile, Sprint, US Cellular, Microsoft and RIM.
  - Verizon has taken a strong position against distracted driving, advising consumers in a nationwide campaign to “Please don’t text and drive.” Verizon has consistently supported state and federal legislation to ban texting and e-mailing when driving. Verizon’s own policies require employees to use hands-free devices if they choose to talk on their mobile phones while driving, and forbid texting and e-mailing while driving.
  - Verizon strengthened its position as one of the world’s leading cybercrime researchers with the release of the third annual Verizon Data Breach Investigations Report in July 2010.<sup>18</sup> The report reflected a first-ever collaboration with the U.S. Secret Service on this issue, which contributed an expanded view into data breaches covering financial crimes.
- We offer resources that allow families to create a safe and secure digital experience whether they’re interacting online, watching TV or connecting on a mobile phone. Verizon’s Parental Controls Center<sup>19</sup> offers access to a complete lineup of services and resources. Verizon’s tools include free wireless content filters, as well as free parental control features available with Verizon FiOS, High Speed Internet and FiOS TV services.
  - Verizon manages a Radio Frequency (RF) Compliance Program that applies a uniform approach to compliance, consistent with Federal Communications Commission (FCC) guidelines, to evaluate and reduce the risk of exposure to radio frequency emissions. This is accomplished by:
    - Using sophisticated, leading-edge engineering methods and industry best practices to ensure that radio frequency emissions are within accepted safety standards.
    - Knowing, following, and enforcing all rules regulating and controlling the safe use of radio frequency transmission systems.<sup>20</sup>

<sup>18</sup> <http://www.verizonbusiness.com/go/2010databreachreport/>

<sup>19</sup> <http://parentalcontrolcenter.com/>

<sup>20</sup> <http://aboutus.vzw.com/wirelessissues/radioEmissions.html>

### Promoting Supplier Diversity

Building a strong base of diverse suppliers provides a competitive advantage. It contributes to customer loyalty, stimulates economic development and taps into the innovation and entrepreneurship we need to win in the marketplace.

- Verizon is a charter member of the Billion Dollar Roundtable, a coalition of 12 companies that spend more than \$1 billion each year with diverse suppliers.
- We also support supplier diversity through programs such as:
  - The Minority Business Executive program at the University of Virginia and at Dartmouth College where minority and women-owned firms are mentored.
  - The Department of Defense Mentor-Protégé program, which encourages the growth of high-potential small business firms.
  - The Access Consortium, a mentoring program for small businesses.
  - The Center for Women's Business Research at Babson College focused on minority female business entrepreneurs.
  - The Verizon Technology Education Center, a facility in Harlem that serves as a communication learning center for customers, small businesses and entrepreneurs.
- In 2010, Verizon purchased approximately \$3.8 billion in goods and services with minority suppliers, bringing our total spending with certified minority, women, disabled,



*Seventeen diverse financial services firms manage over \$1.3 billion in Verizon assets, delivering services ranging from stock repurchases to money management.*

**Vietnam-era and service-disabled veteran business enterprises (MWDVBEs) to more than \$16.6 billion in the past five years.**

- To create more opportunities for MWDVBEs, our compensation program ties the short-term incentive awards of all senior managers to how well they promote business with these suppliers. A new training course, "Supplier Diversity Awareness" debuted this year on our online system.

# Toward a More Sustainable World

We firmly believe our broadband and wireless networks can be part of the solution to creating a sustainable economy.

*We showcased some of the newest additions to our motor vehicle fleet for President Obama in April 2011. We were among five companies recognized by the president for adding substantive numbers of green vehicles and helping improve the environment.*



## Institutionalizing Sustainability

- Verizon's environmental footprint is significant. It takes a lot of energy to run networks that span the globe and serve hundreds of millions of customers. We have operations in more than 150 countries, which include more than 31,000 facilities, 42,000 cell sites and a fleet of more than 39,000 vehicles.
- The scope of our operations is matched by our commitment to sustainability. Verizon's Sustainability Team, led by our Chief Sustainability Officer, is responsible for implementing a comprehensive plan to increase our energy efficiency and reduce our environmental impact.

## ■ Verizon's Sustainability Team is focused in three main areas:

- **People:** leveraging our network of employees, customers, suppliers and other stakeholders to expand our sustainability efforts.
- **Products:** providing products, services and lifecycle management that inspire, educate and equip users to reduce their impact on the environment.
- **Processes:** designing, implementing and measuring business processes throughout our organization to reduce our environmental impact and gain a competitive advantage in the marketplace.

## Reducing Our Impact on the Environment

- Verizon has been tracking its energy usage and efficiency since 2001. To gauge our performance, we've annually calculated and reported a standard carbon-intensity figure—the ratio of our greenhouse gas emissions, or CO<sub>2</sub>, per million dollars in revenue.
  - This metric has been only marginally useful because it does not account for efficiency improvements that accompany growth in wireless, data and video services.
- In 2010, we developed a new metric that shows the carbon emissions that result from moving a terabyte of information across our networks (see inset). In this way, we can adequately assess how we are becoming more energy efficient, even as our business expands.<sup>21</sup>
  - Efficiency is improved by reducing

the absolute amount of energy and by moving more information with the same unit of energy.

- In 2010, Verizon improved carbon efficiency by more than 15% versus 2009 (see chart on page 50).
- We intend to report our carbon-intensity efficiency results every year in addition to energy usage and CO<sub>2</sub> emissions.

#### Making Our Buildings Greener

- In October 2010, Verizon Wireless was accepted into the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) Volume Program.
  - Thirty-two Verizon Wireless stores have earned LEED certification.
  - LEED certification indicates a building was designed and built to ensure energy savings, water efficiency, CO<sub>2</sub> emissions reduction, improved indoor environmental quality and effective stewardship of resources.
  - Certification of these 32 stores is equivalent to diverting 763 tons of construction waste away from landfills, reducing water consumption by an estimated 864,000 gallons per year and saving an estimated 386,000 kilowatt hours of electricity per year.
- Verizon Wireless has received the Environmental Protection Agency's (EPA) ENERGY STAR® certification for upgrading 85 of its retail stores, earning the designation as an EPA Energy Star Partner.



*Derek Bass from Alpharetta, Georgia was one of more than 1,500 employees from across Verizon who volunteered in 2010 to host recycling events and implement energy-efficiency programs at their offices. The recycling events collected more than 170,000 pounds of used materials.*

## Verizon Carbon-Intensity Metric

CO<sub>2</sub> emissions from  
electricity and fuels

Terabytes of information on  
Verizon networks

= Carbon-Intensity  
Efficiency

- Verizon tested a new system for regulating the temperature in three data centers during 2010. The new system uses sensors, wireless controllers and software to ensure optimum equipment cooling. Results from the trials suggest the new design can reduce energy consumption from 5% to 9%. Plans are to expand the new system to 23 additional data centers in 2011, which projects to a savings of approximately 42 million kilowatt hours at full implementation.
- In 2010 we conducted trials of four different "smart" building systems at 16 Verizon locations. The result was a 26.7 million kilowatt hour reduction in energy usage and a savings of \$2.1 million, projected annually. The "smart" building program will expand to a total of 250 buildings in 2011.

<sup>21</sup> For more information on our efforts to reduce our environmental impact, please visit <http://newscenter.verizon.com/kit/greenpress-kit/>. To learn how our services are promoting energy-efficient behavior, please visit <http://www.verizonbusiness.com/solutions/green>.

## Verizon's Carbon-Intensity Efficiency Results

	2009	2010	% CHANGE
Terabyte throughput	67.87 million	78.65 million	15.89%
Electricity (kWh)	10.27 billion	10.24 billion	(0.34%)
CO <sub>2</sub> (metric tons)	6.20 million	6.06 million	(2.18%)
Kilowatt hour / Terabyte (monthly average)	151.71	130.27	(14.13%)
CO <sub>2</sub> / Terabyte (monthly average)	0.09158	0.07716	(15.75%)

## Carbon Emissions Calculation Methodology

Verizon collects global emissions data every year. Our profile is based on The Greenhouse Gas Protocol<sup>®</sup>, a widely used accounting framework developed by the World Resources Institute and used by governments and businesses worldwide to quantify and manage emissions.<sup>22</sup>

Our profile includes what this framework defines as Scope 1 and Scope 2 sources and calculations using emission factors provided by the Environmental Protection Agency (EPA) and the Environmental Information Agency (EIA).

- **Scope 1:** Represents direct emissions from the fuel used by our fleet and to heat our buildings. The EPA and the EIA emission factors vary based on the type of fuel used, e.g., 8.8 kg of CO<sub>2</sub> per gallon of gasoline, 10.1 kg of CO<sub>2</sub> per gallon of diesel fuel and 8.1 kg of CO<sub>2</sub> per gallon for B20 Biodiesel.
- **Scope 2:** Represents indirect emissions based on electricity used. For our 2008 and 2009 reporting, we used the EPA's eGRID National profile factors. For 2010, we used the more precise EPA eGRID Subregion profile, which calculates CO<sub>2</sub> emissions per kWh based on unique regional factors.

<sup>22</sup> <http://www.ghgprotocol.org/>

### Greener Facilities and Operations

- Changing the default printer settings at Verizon offices across the country to encourage double-sided, black-and-white printing reduced the number of printed pages by 10.3 million and saved more than \$783,000.
- A toner cartridge recycling program conducted at five locations resulted in the recycling of more than 5,300 cartridges which equates to nearly 24.5 tons of CO<sub>2</sub> emissions saved.
- Replacing Styrofoam cups and containers with paper and reusable products in offices in New Jersey, upstate New York and the West eliminated nearly 2.4 million pieces of Styrofoam.
- We've asked suppliers that ship items directly to our locations to adopt a reusable plastic tote system in place of cardboard packaging. The move is expected to reduce our annual cardboard usage by approximately 10,000 boxes.
- To increase our suppliers' focus on sustainability, we developed a "Sustainability Scorecard" to help raise the awareness of the environmental impact of the wireless products (devices and accessories) we are offering our customers. The scorecard includes a comprehensive checklist which encourages our suppliers to think about the many ways they can reduce the environmental impact of their products.

- Implementing a pallet-recycling program at our warehouse locations will reduce wood landfill waste by approximately 120 tons annually.
- More than 1,500 employees from 17 countries joined the Verizon "Green Team" in 2010 to implement energy efficiency programs at their work locations. Team members hosted more than 30 recycling events around the U.S., collecting more than 170,000 pounds of material for recycling.
- Nearly 250,000 PCs and other electronic items weighing approximately 4.7 million pounds were collected throughout Verizon in 2010 as part of a corporate-wide recycling program.
- A promotion to encourage our wireline customers to switch to paperless billing—the "Great Paper Escape"—convinced more than 325,000 customers to sign up. By the end of 2010, more than 2 million wireline residential customers had enrolled.



*As part of Earth Day 2010 activities at the Dallas, Texas office, Verizon's (l-r) Shannon West and Michelle Schnaithman distributed hundreds of free eco-kits to their fellow employees to use in saving water and electricity at home.*

### Verizon's 2010 CO<sub>2</sub> Emissions Profile

	CO <sub>2</sub> (METRIC TONS)	% EMISSIONS
Vehicle fuels	430,959	7.11%
Building and other fuels	204,776	3.38%
Electricity	5,426,863	89.51%
<b>Total</b>	<b>6,062,598</b>	<b>100%</b>



Verizon added more than 1,600 alternative-fuel vehicles to its fleet in 2010, such as this hybrid pickup, and converted 370 vehicles to use biofuels.

## Steering Towards a Greener Fleet

- In 2010 both GM and Ford began offering alternative-fueled vans and pickups. We purchased 604 hybrid electric pickup trucks from GM and 501 compressed natural gas (CNG) vans from Ford. We also converted 370 of our existing vehicles to utilize biofuels and added several specialty vehicles, including green aerial splicers and SmartWay tractors.
- The purchases and conversions increased the number of

alternative-fuel vehicles in our fleet to approximately 5%. Our goal is to increase the percentage of these vehicles in the fleet to 15% by 2015.

- Multiple initiatives to reduce fuel consumption have resulted in a reduction of more than 9.7 million gallons of gasoline and diesel fuel since 2008, avoiding more than 85,000 tons of CO<sub>2</sub> emissions.

## Verizon's Alternative-Fuel Vehicle Profile

VEHICLE TYPE	2009 ACTIVE	2010 ADDITIONS	TOTAL ACTIVE
Biofuel	0	370	370
CNG Aerial	10	0	10
CNG Van	2	501	503
Hybrid Aerial Splicer	0	8	8
Hybrid Pickup	0	604	604
Hybrid Van	12	0	12
Hybrid Aerial	6	0	6
Hybrid Sedan	229	148	377
SmartWay Tractor	1	11	12
<b>Total Green Vehicles</b>	<b>260</b>	<b>1,642</b>	<b>1,902</b>

## Verizon HopeLine Continues Setting Records

For the fourth consecutive year, Verizon collected more than 1 million no-longer-used wireless phones through our HopeLine phone recycling and reuse program, keeping the devices out of landfills and turning them into support for domestic violence survivors.

The donations were made at our stores, via the mail using the online postage-paid label and at phone drives conducted by law enforcement organizations nationwide.

At the end of 2010, more than 25,000 HopeLine phones were in service nationwide, an 11.8% increase over 2009. The phones include 76.1 million minutes of wireless service, or enough minutes to stay connected nonstop for 144 consecutive years. Verizon also gave more than \$2.1 million in cash grants to nearly 450 domestic violence prevention and awareness programs across the country.

PHONES COLLECTED	1,129,000	1,100,000	1,102,000
	2008	2009	2010
PHONES REFURBISHED	764,000	927,000	955,000
	2008	2009	2010
PHONES RECYCLED	365,000	173,000	147,000
	2008	2009	2010
PHONES DONATED TO SHELTERS	21,000	23,000	25,000
	2008	2009	2010
CASH DONATED TO HOPELINE FUNDS	\$1,531,000	\$1,587,000	\$2,179,000
	2008	2009	2010

Verizon joined Relan Bags to “upcycle” our used billboards. Relan collects the used billboards and turns them into tote bags, luggage tags and mouse pads. Pictured here is Tom Schaeppi, vice president of marketing at Relan.



## Verizon Recycling Efforts

■ 2008 ■ 2009 ■ 2010

### Telecommunications Equipment Recycling (thousands of tons)



### Cell Phone Battery Recycling & Reclamation (tons)



### Paper and Cardboard Recycling (thousands of tons)



### Environmental Notices



## Eliminating Conflict Minerals in the Supply Chain

The tragic conflict in the Democratic Republic of the Congo, which has persisted since the early 1990s, involves militants who exert control over mineral deposits as a source of financing.

Those mineral resources—specifically tin, tantalum and tungsten ores—are key elements of consumer electronics products such as cell phones, personal computers and MP3 players.

While Verizon does not buy raw materials, manufacture devices, or produce any electronic equipment directly, we recognize that we have a responsibility to ensure that all of our products are responsibly manufactured by our suppliers. Our Supplier Code of Conduct and Human Rights Statement (see page 20) make clear we strive to create an environment of respect, integrity and fairness for our employees and customers wherever we do business. We expect that our business partners will operate the same way.

As a member of the Global eSustainability Initiative (GeSI), Verizon supports the organization's process to eliminate conflict minerals in the consumer electronics supply chain. GeSI members are taking action through:

- Increasing supply chain transparency;
- Developing and piloting an auditing process for smelters to validate conflict-mineral-free components; and
- Engaging with other stakeholders for collaboration and efficiency.



# Profile & Performance



At Verizon, we embrace diversity and personal development not only because it's the right thing to do, but also because it's smart business. We also believe it's smart business to survey our stakeholders regularly about our corporate responsibility efforts so we can get their views and understand the issues that are most relevant to them. We're pleased to present the highlights of our performance in all three areas.

# The Outside Perspective

**“THEY REALLY MAKE AN EFFORT TO HAVE A DIVERSIFIED WORK FORCE.** They participate in community activities and community groups like Chambers of Commerce—Verizon’s always represented. I don’t see that breadth of coverage by most of the other companies.”

OPINION LEADER

For the third consecutive year, we engaged Penn Schoen & Berland (PSB), an independent research organization based in Washington, D.C., to poll our stakeholders on our reputation and our performance as a corporate citizen and to capture their views on our social, education and environmental activities.

PSB conducted 4,578 online interviews in the U.S. between October 22 and November 30, 2010. These interviews included members of the general population, business decision-makers, opinion leaders and Verizon employees.

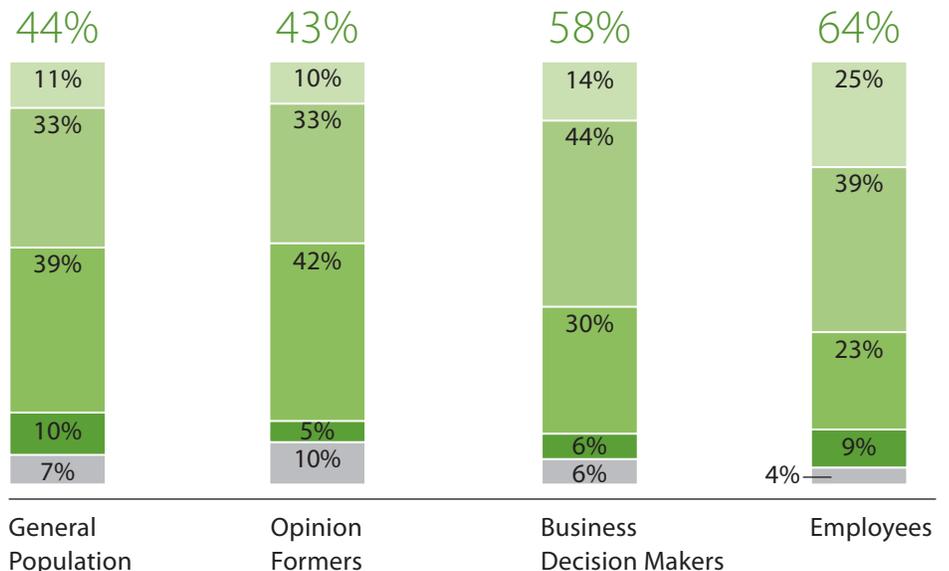
**Key Research Findings**

- Verizon has a good reputation across all audiences (72% favorable overall)

**Table 1**

**How would you rate Verizon on its performance as a good corporate citizen?**  
(% TOTAL BETTER THAN OTHER COMPANIES)

■ No Response ■ Worse ■ Same ■ Good ■ Excellent



which is in line with other well-respected companies.

- Verizon earns especially high marks for high standards of quality, reliability and customer service.
- Verizon outscores others in the telecommunications and technology industry on being a “company of the future” (66% of general population agrees).
- When it comes to good corporate citizenship, 44% of the general population believes that Verizon does a better job than most companies (see Table 1). Employees have the most positive rating of the

stakeholder audiences (64%), with a quarter saying it does an “excellent” job.

- Stakeholders believe Verizon is a good corporate citizen primarily because it “provides products and services that benefit society” (39% agree) and that it “works hard for customers” (35%) (see Table 2).
- Employees are more inclined to acknowledge the breadth of Verizon’s citizenship activities. Among employees who said Verizon performs better than other companies as a good corporate citizen, 28% attributed the good standing to its contributions to charities and social causes and 16% cited its ethical make-up.

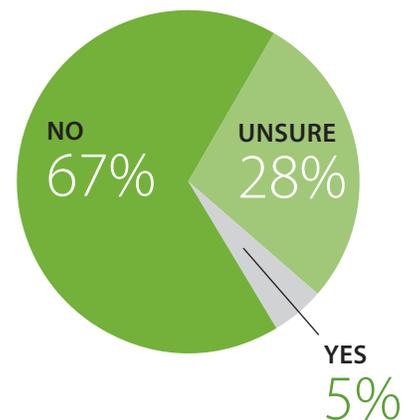
- Opinion formers who believe Verizon’s performance is better than other companies cite its involvement in many corporate responsibility areas.
- Audiences agree that companies should focus on helping social, environmental or economic issues—like Thinkfinity and HopeLine—and being active in local communities.
- However, only 5% of the general population is aware of the specific issues on which Verizon focuses its corporate responsibility resources, with over a quarter (28%) unsure (see Table 3).

**Table 2**

If you said Verizon was a good corporate citizen, would you say this is primarily because it ...	General Public	Employees
Provides products and services that benefit society	39%	27%
Works hard for customers	35	12
Is involved in the community	7	10
Contributes to charities and social causes	5	28
Is an ethical company	5	16
Is environmentally responsible	4	3
Other	1	4
Don’t know	4	1

**Table 3**

Do you know of any specific issues on which Verizon focuses its corporate responsibility efforts or charitable giving?



# Awards & Honors



**BBB International Torch Awards**  
Trust • Performance • Integrity

2010 Marketplace Excellence Winner



**Dow Jones Sustainability Indexes**  
Member 2010/11



FTSE4Good

## Corporate Citizenship

- Verizon received the Better Business Bureau's International Torch Award for Marketplace Excellence in 2010—the first time this award has been presented to a telecommunications company.
- The Ponemon Institute and TRUSTe, the online privacy evaluator, again ranked Verizon among the top 20 U.S. companies in its annual survey of the Most Trusted Companies for Privacy. Verizon ranked No. 14.
- Scholastic Administrator magazine has named Verizon Thinkfinity a Best in Tech website for professional development.
- Verizon was honored with the Anti-Defamation League's 2010 Americanism Award for our commitment to educate the community on cyberbullying and other digital literacy issues.
- Verizon was named to CR magazine's 100 Best Corporate Citizens list for 2011. We made the list for the fourth consecutive year.
- Verizon's commitment to supplier diversity and its support of the Asian small-business community earned the 2010 Corporate Leadership Award from the Asian Business Association of Los Angeles.
- For the 10th consecutive year, Verizon was named to Working Mother magazine's list of the 100 Best Companies for Working Mothers.
- Verizon Wireless was named a recipient of the 2010 CIO 100 award by CIO Magazine, which annually recognizes innovative organizations that use IT to create business value.
- Verizon Wireless earned a place on InformationWeek magazine's list of the nation's top 10 technology innovators for development of a unique sales software system.
- Verizon Wireless earned the Corporate Diversity Award from the Mexican American Bar Foundation for the company's continued commitment to diversity.

## Diversity / Workplace / Innovation

- For the eighth consecutive year, our commitment to diversity and inclusion was recognized by LATINA Style Magazine in its 2010 Latina Style 50 list of the best companies to work for in the U.S.
- Verizon is ranked third on Training magazine's 2011 Training Top 125, a list of companies that have the best training and development programs for employees.
- For the second consecutive year, Verizon earned a spot on the National Business Group on Health's 2010 list of Best Employers for Healthy Lifestyles.
- Verizon was No. 4 on MBA Magazine's 2010 list of Top 50 Companies for Diverse Managers.
- Verizon's continued efforts to create a diverse workforce and an inclusive work environment have again

earned the company a ranking on the DiversityInc 2010 and 2011 lists of Top 50 Companies for Diversity.

### Environmental / Social / Governance

- Verizon is included on the Maplecroft Climate Innovation Index, a list of 100 top-performing companies in the U.S. selected for their climate-related innovation and carbon-management programs.
- Verizon received the Groundbreaker Award at the 2011 Clean Economy Summit for fostering the development and adoption of new technologies and business practices that advance a clean economy.
- Verizon was named to Newsweek's North American Green rankings for the second consecutive year, while ranking No. 45 on the magazine's inaugural Global 100 list.
- For the past two years, Verizon has been included in the Dow Jones Sustainability North American Index, which lists leading companies as measured by governance, social and environmental performance.
- For the second time, Verizon Wireless was named one of the Top 12 Green IT Vendors by Computerworld. This year, Verizon ranked No. 4.
- Verizon received the 2010 Eco-Leadership Award from the Alliance for Workplace Excellence for our efforts to create an environmentally sustainable workplace.
- Verizon was recognized by the Clean Vehicle Education Foundation with its 2010 National Achievement Award for our Green Fleet program.
- Verizon is included on the following socially responsible investment lists: FTSE4Good Index, Ethibel Sustainability Index and Calvert Large Cap Value Fund.
- Verizon placed on the NASDAQ Global Sustainability Index, a benchmark for stocks of companies that are taking a leadership role in disclosing their carbon footprint, energy usage, water consumption, hazardous and non-hazardous waste, employee safety, workforce diversity, management composition and community investing.



*Verizon received the Better Business Bureau's Marketplace Excellence Award for 2010.*



**ABOVE** When completed, the Verizon Technology Innovation Center in Waltham, Massachusetts (artist's rendering below) will be the hub for advanced technology initiatives utilizing our FiOS and 4G LTE networks.

Participating in the 2010 ground-breaking ceremony for the facility were (from left) Waltham Mayor Jeannette McCarthy, Verizon's Dick Lynch, Massachusetts Secretary of Housing and Economic Development Greg Bialecki and President and CEO of the Massachusetts Technology Leadership Council Tom Hopcroft.

## Investing in Our Communities

(\$ IN BILLIONS)

	2008	2009	2010
Capital Investment	\$17.1	\$16.9	\$16.5
Income Tax & Other Taxes Paid	\$4.4	\$4.3	\$4.2
Salaries & Wages	\$15.2	\$16.1	\$15.3
Purchases From Diverse Suppliers	\$3.5	\$3.8	\$3.8
Dividends To Shareholders	\$5.0	\$5.3	\$5.4
Pension & Other Retirement Payments	\$4.1	\$4.3	\$3.7



## 2010 Financial & Operating Statistics

Consolidated Revenues	\$106.6 billion
Net Income Attributable to Verizon	\$2.5 billion
Operating Cash Flow	\$33.4 billion
Capital Investment	\$16.5 billion
Declared Dividends per Share	\$1.925
Reported Earnings per Share	\$0.90

### VERIZON WIRELESS

Revenue	\$63.4 billion
Customers	94.1 million
Company-operated stores & kiosks	2,000+
Switching centers	175+

### VERIZON WIRELINE

Revenue (residential and business)	\$41.2 billion
FiOS TV customers	3.5 million
FiOS Internet customers	4.1 million
Broadband connections	8.4 million
Access lines	26 million
Global IP Network presence	2,700+ cities in 150+ countries
Data centers	200+ in 22 countries

Verizon Communications Inc. (NYSE, NASDAQ:VZ), headquartered in New York, is a global leader in delivering broadband and other wireless and wireline communications services to mass market, business, government and wholesale customers. Verizon Wireless operates America's most reliable wireless network, serving 94.1 million customers nationwide. Verizon also provides converged communications, information and entertainment services over America's most advanced fiber-optic network, and delivers innovative, seamless business solutions to customers around the world. A Dow 30 company, Verizon employs a diverse workforce of more than 194,000 and last year generated consolidated revenues of \$106.6 billion. For more information, visit [www.verizon.com](http://www.verizon.com).

## 2010 Employee Profile

Ethnic Groups	Total Workforce,12/31/10	%	Total Workforce,12/31/09	%	Total, U.S. Labor Force*
American Indian/Alaskan Native	1,280	0.7%	1,181	0.6%	0.7%
Asian	8,596	4.7%	9,362	4.4%	3.6%
Native Hawaiian/Pacific Islander	549	0.3%	687	0.3%	0.1%
Black/African American	36,032	19.7%	41,956	20.0%	10.6%
Hispanic/Latino	19,388	10.6%	20,333	9.6%	10.7%
Two Races or More	2,743	1.5%	2,942	1.4%	1.6%
White	114,314	62.5%	134,417	63.7%	73.6%
<b>Total U.S.</b>	<b>182,902</b>		<b>210,878</b>		
International	11,498		12,049		
<b>Total Worldwide</b>	<b>194,400</b>		<b>222,927</b>		

By Gender (U.S.)	Total Workforce,12/31/10	%	Total Workforce,12/31/09	%	Total, U.S. Labor Force
Female	73,344	40.1%	87,347	41.4%	46.8%
Male	109,558	59.9%	123,531	58.6%	53.2%
<b>Total U.S.</b>	<b>182,902</b>		<b>210,878</b>		

### By Gender (International)

Female	2,599	22.6%	2,684	22.3%	N/A
Male	8,899	77.4%	9,365	77.7%	N/A
<b>Total International</b>	<b>11,498</b>		<b>12,049</b>		

### By Gender (Worldwide)

Female	75,943	39.1%	90,031	40.4%	N/A
Male	118,457	60.9%	132,896	59.6%	N/A
<b>Total Worldwide</b>	<b>194,400</b>		<b>222,927</b>		

People of color represent 24% of senior management (vice president and above).

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

\*2000 U.S. Census Data





In keeping with Verizon's commitment to protect the environment and support for responsible forest management practices, we engaged a printer for the production of the Corporate Sustainability Report that is 100% wind powered, and is an EPA Green Power Partner and EPA Climate Leader.

The Corporate Sustainability Report was printed on New Leaf Reincarnation Matte 95# cover and 80# text, which are certified by the Forest Stewardship Council (FSC) and contain 100% recycled fiber made with 60% post-consumer waste.